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**AMENDING THE FOOD CONTROL AND  
DISTRICT OF COLUMBIA RENTS ACT**

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**HEARINGS**

85  
2056

BEFORE THE

U. S. Congress, House

**COMMITTEE ON THE DISTRICT OF COLUMBIA.**

**HOUSE OF REPRESENTATIVES**

**SIXTY-SEVENTH CONGRESS**

**SECOND SESSION**

**ON**

**S. 2919**

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**APRIL 27, 28, AND MAY 1 AND 2, 1922**



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## AMENDING THE FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

COMMITTEE ON THE DISTRICT OF COLUMBIA,  
HOUSE OF REPRESENTATIVES,  
Thursday, April 27, 1922.

The committee met at 10.30 a. m., Hon. Benjamin K. Focht (chairman) presiding.

The CHAIRMAN. The committee will please come to order.

Mr. MILLSPAUGH. While we are waiting, I wonder if it would not be well to have the chairman of the subcommittee on milk legislation make a report.

The CHAIRMAN. If there is no objection, will you do so, Mr. Lampert?

Mr. MILLSPAUGH. Mr. Lampert is chairman. I will say that the report was a unanimous one.

The CHAIRMAN. Before you begin, I will ask if any members of the subcommittee are here who were appointed to consider H. R. 5909? Mr. Sproul was made chairman of that committee. The bill is in reference to an appropriation of \$10,000 for extras on the Central High School. Mr. Burton is anxious to have something, and I make this request so that we may know if we have anything on it.

Mr. MILLSPAUGH. I am not on that committee, but Mr. Sproul yesterday showed me some data that he had accumulated and dug out on that down at the commission, and I assure you he wants to be heard.

The CHAIRMAN. I will report that to Mr. Burton. Very well, you have heard the motion with regard to the milk bill. What is to be done on that?

Mr. LAMPERT. The subcommittee appointed on that matter reported the bill unanimously. There were four members present. Mr. Kunz was not here. I just want to make a statement that he told me when he left that he reserved the right to take any position on the bill he saw fit when it is called up.

The CHAIRMAN. Will that be a minority report?

Mr. LAMPERT. I do not think so. I have asked Mr. Millspaugh to please make a report on it.

Mr. MILLSPAUGH. In regard to that bill, Mr. Chairman, I presume as the other members of the committee know, the subcommittee held very protracted hearings on it—very protracted. We met day after day and night after night on it, and the hearings are quite voluminous. After the hearings and after a great deal of heated argument, I think that the fact the committee (the subcommittee) is unanimous in its report is sufficient to make the whole committee know that it is a good bill. The subcommittee, after going over the situation, decided to report the following bill, with the exception of a few amendments.

Mr. HAMMER. Yes; just a very few slight amendments.

Mr. MILLSPAUGH. And we found that while the expense incurred in this subcommittee hearing was considerable, I think the results justify the expense, because milk was reduced in price about 12 cents per gallon and I am sure that the saving was far more than enough to pay the expenses of the subcommittee.

I do not think it is necessary to make any extended talk on the bill at this time, for when it comes on the floor all of this data will have to be brought out; but the fact that the committee started out divided and ended up unanimously indicates they worked out a satisfactory solution of the problem.

Mr. HAMMER. When would you suggest that we take action on this?

The CHAIRMAN. If there is no objection, report it. What is the suggestion?

Mr. HAMMER. I do not know what the custom is. I do not know whether we ought to report a bill of this importance or not without a quorum. I think if the committee would go into it they would agree with us, because we have been very careful about it. We have been painstaking and we have surrendered

some of our views and we think we have a bill that will be very satisfactory to the health department and beneficial to the general public.

Mr. KELLER. I would like to know in a general way what this bill does.

Mr. HAMMER. It changes the present law and gives some power to the health department. In the past the health department has had no power to do anything. It is just like the Federal Trade Commission, just the power to recommend. It has increased the appropriation a little. They have an appropriation now of \$6,000 for all purposes—for inspection, for health department, sanitation, and all—and this increases the number of employees to whatever is necessary, with cream added to it. Cream is not included in inspection, and whatever that is will be very small. I would say it would not be more than one man.

The CHAIRMAN. Does any gentleman wish to ask the members of the subcommittee any questions in regard to this?

Mr. KELLER. What if a man is a dairyman in Pennsylvania and wants to ship milk down here? He can not ship it down here unless it is tested by a man in the District of Columbia? Is that correct?

Mr. MILLSPAUGH. That is correct.

Mr. LAMPERT. That is done without any expense to the producer of the milk. That is done at the expense of the District health office.

Mr. MILLSPAUGH. In other words, Mr. Keller, if I may explain, if five or six farmers in Pennsylvania desire to ship milk into the District, they may make application to the health officer and he sends an inspector without any expense to them to inspect their farms and their cattle, and if they meet the requirements they can ship the milk in here. We are getting some now from West Virginia.

Mr. KELLER. Yearly?

Mr. MILLSPAUGH. Annual inspection, yes. That is, the tuberculin test is annual.

The CHAIRMAN. You are speaking of four or five farmers. Suppose one man owns a farm?

Mr. MILLSPAUGH. Well, that is the point.

Mr. HAMMER. My understanding is that one farmer only never makes application. There have never been less than five or six to make application, because one farmer cannot ship economically. For instance, a man up in Pennsylvania wants to ship milk; one does not make application, unless it is a very large one. Four or five of them decide that they will ship and they get together and they collect together, and in that way a larger supply of milk can be obtained. Of course, just to go around and inspect each farm would be too expensive.

Mr. MILLSPAUGH. Unless it is a large producer?

Mr. HAMMER. Yes. He says there never has been just one to make application.

Mr. MILLSPAUGH. They form an association of four or five to ship it. One could not do it.

Mr. HAMMER. This bill provides that the milk can be seized. That is not in the old law.

The CHAIRMAN. As I understand—

Mr. HAMMER (interposing). And that all milk that comes into the District should be tuberculin tested.

The CHAIRMAN. They do all of that in Pennsylvania. As I understood the association here, what the objection was, there were some objections or restrictions on shipments of milk from Pennsylvania or New York State into the District. They require certain tests from those States that are not required here and the price of milk went up in those two great States.

Mr. HAMMER. The milk producers from Maryland and Virginia have certain requirements. For instance, there is no water used on the premises where the milk is produced except the water on the premises. In other words, they cannot go to a branch and wash the vessels as they come from the station, as was done in Danville last fall, where they had such an epidemic of typhoid fever, and its cause could not be located until they found where a negro had been stopping and washing his vessels at a branch, and when they stopped that they almost stopped the epidemic in Danville. The Virginia-Maryland Association requires stalls of concrete and certain other requirements. The old law is just like it used to be. This new law provides for tuberculin tests every year from every herd. That is not in the old law, as I understand it.

Now, I move that the bill be reported.

The CHAIRMAN. In order that we may determine the question of quorum, as there are likely to be some bills reported that will require a quorum, the clerk will call the roll.

(Thereupon the clerk called the roll and 10 members answered present.)

Mr. HAMMER. I would say that an attorney appeared before us from Golden & Co. who promised two months ago to furnish us a brief of authorities showing that this milk bill was unconstitutional. I may state that the chairman has called on him more than once. I know I called on him twice to furnish it, and he has not yet done so, and the examination of the authorities, so far as I have been able to see, convince me that the bill is constitutional and also the District of Columbia corporation counsel has written Mr. Lampert a letter stating that in his opinion there is no doubt as to its constitutionality.

The CHAIRMAN. It has been moved and seconded that H. R. 7746, as amended, be reported favorably. All in favor say "aye."

(The motion was unanimously carried.)

#### RENT BILL.

The CHAIRMAN. To-day is the day we will take up S. 2019, known as the Ball Rent Act, and we had better proceed if we expect to get through and reach any decision to-day. So have you anybody to present, Mr. Zihlman or Mr. Grant?

Mr. SPROUL. Mr. Chairman, I object to proceeding with this bill without we have a quorum.

The CHAIRMAN. It has been suggested that the ranking member of the minority who is opposed to the bill is not present. We have been diligently searching for him and have been unable to locate him. That is Mr. Gilbert. It is up to the committee to say what we shall do.

Mr. SPROUL. I move that we adjourn.

Mr. HAMMER. Oh, no; let us see if we can get a quorum.

The CHAIRMAN. It has been moved that the committee do now adjourn. Was the motion seconded?

(The motion was not seconded.)

Mr. ZIHLMAN. Please withdraw the objection.

The CHAIRMAN. The objection of the gentleman from Illinois has been withdrawn.

Mr. SPROUL. I think that this is one of the most important bills that was ever heard before this committee. We have never had any hearing on it. There was a hearing before the Senate. We were locked in here one night until 12 o'clock and passed the bill up to the committee, and that time we had, I think, two or three of the commissioners—Mrs. Taylor and one other. I move that there be a subcommittee of five appointed to take hearings on this and report back two weeks from to-day. That will give plenty of time to investigate and report back, and get the bill up in the House if they want to.

Mr. WOODRUFF. I offer as a substitute that the motion lay on the table. I do not believe it is necessary to have additional hearings on this Ball Act.

Mr. SPROUL. I say that I have objections. You said not a single man said that he desired hearings.

Mr. MILLSPAUGH. I do.

Mr. WOODRUFF. I did not say that. I say this: That they have had hearings on this before the Senate. We all have read them, and if we have not we have neglected our duty. The time is short and is about to expire.

I move the motion be put on the table.

Mr. HAMMER. I second it.

Mr. MILLSPAUGH. I misunderstood Mr. Woodruff. I understood him to say that no Member wanted more hearings. I do. I did not attend the Senate hearings. I do not agree with the Senate hearings. I want to say to you that the Senate hearings were packed and I have evidence to bring before you that will put an entirely different light on this bill from that before the Senate. I am going to ask for hearings. I am not insisting on this going over for two weeks, but I want some hearings.

Mr. REED. Will not the gentleman yield; are we not now to have hearings?

Mr. MILLSPAUGH. That is what I insist on.

Mr. WOODRUFF. I do not know of any member of the committee that has asked any man or woman to come here and give testimony.

Mr. MILLSPAUGH. I did.



Mr. WOODRUFF. Wait a minute. The gentleman has stated the Senate committee was packed, and I take it he means they were packed in favor of the legislation. I take it as a result of his argument the other day and his statement this morning that he is now prepared to pack the House committee.

Mr. MILLSPAUGH. I resent that. I call attention to the fact that when we adjourned before it was specifically understood that we would hear evidence to-day. I said we would have evidence to-day.

Mr. HAMMER. I do not think that the gentleman means to say without modifying it that the Senate committee was packed—packed in the same way as this committee is packed. That we are here in favor of the bill without further hearings, but if he means to say that Senator King and Senator Capper and Senator Ball, as well as Senators Pomerene, King, and others, would be a party to packing the bill, I do not agree with him.

Mr. MILLSPAUGH. My opinion is that it was packed as a result of propaganda that is out at the present time, but not by them.

Mr. HAMMER. There is no doubt but that this is a very different bill. The old law provided that there were to be three commissioners; now there are to be five.

Mr. KELLER. The last time we had this bill the suggestion was made that we appoint a committee of five, and on account of the short time we decided then not to have a subcommittee but to have it before the full committee.

Mr. HAMMER. I ask the chairman to put the motion of Mr. Woodruff and proceed with the hearing.

The CHAIRMAN. The suggestion made by Mr. Keller strikes me as the one we ought to pursue, and that is, instead of having a subcommittee and that we take this bill along for a week or two weeks, that we begin now and continue with any hearings, or the hearing of any gentleman on either side who might wish to be heard to-day and to-morrow morning until we reach a conclusion on the bill.

Mr. SPROUL. And as long as it is necessary, or as long as we have more information.

The CHAIRMAN. The idea of the Chair is this: That there has been so much controversy about this matter, there has been some suggestion that the committee will be packed, that I want to say so far as the chairman is concerned there will be no packing here; that a conclusion will be reached, right over the table, that will be fair and square, and the matter will be brought before the House within two weeks, one way or the other. I think if there is any enlightenment we ought to have we ought to have it, but not to the extent to prevent the reenactment of the bill prior to the expiration of it—of the present law.

Mr. REED. If Mr. Millspaugh or any member on the other side feels that we ought to have more light on it, let us have it.

Mr. HAMMER. If we are going to have a situation of that kind, we ought to have continuous sessions every day until we get through. I do not see how the committee can have unlimited hearings. I have found the chairman and Mr. Millspaugh disposed to cut off no one, but on the other hand to give the fullest opportunity to everyone to be heard, but you can not give the fullest opportunity to everybody if we expect to get this passed before the present law expires, unless we sit all day and at night.

The CHAIRMAN. I believe everything has been withdrawn and nothing is before the committee except the motion of the gentlemen from New Jersey. If there are any gentlemen here who wish to present arguments for or against the bill, please present the names of the witnesses for your side.

Mr. MILLSPAUGH. I call Mr. Humphrey.

The CHAIRMAN. Let us have a limitation on time. We can not go on forever. We want to hear one man to-day.

Mr. MILLSPAUGH. As far as I am concerned, I have no disposition to put over anything. I want to do everything to present the other side of this Ball Rent Act. I feel it is the most pernicious piece of legislation that has ever been brought before this committee.

Mr. WOODRUFF. I think you would have some difficulty in convincing the renters of the District that is true. I have no doubt but what the people of the District who own these apartment houses and other properties to rent probably agree with everything you say.

The CHAIRMAN. We all realize that we put through what we thought was necessary, but it has not functioned and we hope it will be corrected, and we hope in the future it will be of some benefit to the renter. I hope you have fixed the bill up in some form that it will be of some benefit to the renter.

Mr. HUMPHREY. How much time have I?

Mr. MILLSAUGH. I object to the time being limited, because one man may require more time than another one. You get a man in here with an apartment house and it may necessitate a change in the time.

The CHAIRMAN. We will limit them to 5 minutes, with the understanding that if they need more time it will be extended.

Mr. HAMMER. He will need more than 5 minutes. From the size of his manuscript here he will need 15 minutes.

The CHAIRMAN. The gentleman will be allowed 15 minutes. If he is interesting enough to require more time, the committee will consider that.

**STATEMENT OF HON. W. E. HUMPHREY, ATTORNEY AT LAW,  
SEATTLE, WASH.**

Mr. HUMPHREY. With regard to the time, if I am permitted to consume the time myself for 15 minutes, that is satisfactory. After that time I am open for any questions that may be presented.

I want to express my pleasure at being granted the opportunity to appear before this committee. Although I was a Member of the House for 15 years, this is the first time I have had that pleasure.

I want to say in beginning that it is not my purpose to present objections to the rent bill. What I am here to-day for is to point out to the committee, if possible, what I believe to be true, that the present commission is unfit to administer this law, and if you are going to amend the law, make it some way so that you will provide for a commission that will assess these rents with the idea in view of benefiting the tenants and also of doing justice to the owner of the building, and not with a view to currying favor with certain influential men in order that their offices may be protected. That is what I am going to do to-day, and I am here representing the owners of the Meridian Mansion, situated at 2400 Sixteenth Street. I want to give to the committee, in what time I may consume, some concrete facts, which, in my judgment, show the present members of the Rent Commission are utterly unfit to occupy the positions they now hold.

Mr. HAMMER. May I ask if that is a matter that is pertinent to this inquiry? Ought he not address himself to the merits of the bill?

Mr. ZIHLMAN. No.

Mr. HUMPHREY. I can not imagine anything that goes more to the merit of the bill than to have a commission that is unfit to administer this law.

The CHAIRMAN. Are you opposed to the principle? You are opposed to the personnel, but the plan and the principle—are you opposed to them?

Mr. HUMPHREY. I think the plan of the bill is wrong. They commenced back in the days of the Roman Empire to regulate prices and they have never succeeded from that time until now.

Mr. HAMMER. I do not think that this is the place for an attack on the Rent Commission, because this bill provides for a new Rent Commission—that it shall be appointed by the President of the United States and confirmed by the Senate.

Mr. MILLSAUGH. It provides that this one shall hold until the other one is appointed.

Mr. HAMMER. Does it provide that this one shall continue?

Mr. MILLSAUGH. You know what will happen.

Mr. HAMMER. I have confidence enough in the President of the United States to believe that if a mistake has been made he will find it out.

Mr. HUMPHREY. The present President did not appoint this commission.

Mr. HAMMER. The Supreme Court of the District did do it, and we have changed that now, and I think impeachment is what he is after.

The CHAIRMAN. I agree with you, Mr. Hammer, on that. The principle is the thing we are after. It is immaterial whether there is a janitor there or not.

Mr. REED. If anyone has a suggestion to make as to an amendment to the bill relating to the method of appointing the commission, that alone should be subject for discussion.

Mr. SPROUL. I think this committee should know whether or not the members of this commission we have at the present time are fitted for the positions. I think he is perfectly right.

The CHAIRMAN. Well, I think that is the shortest way out.

Mr. HUMPHREY. Anyway, let me state what I want and you can take it for what it is worth.

The Meridian Mansion, as you know, is one of the largest apartment houses in the city and one of the most up to date in every respect. It was finished in 1917 and was occupied fully by the fall of that year, and among the earlier tenants were United States Senators Jones, Walsh, Thomas, Kendrick, and Harris.

I want to say here now that any statements I may make are not intended to be in the least reflections on any of the distinguished gentlemen who are tenants in this building. But these gentlemen mentioned were early tenants. Rent was very low at that time.

As the rents went up practically all the other tenants in the building voluntarily consented to an increase in the rent, except these Senators I have named. The Senators refused to pay additional rent. Their rents were very low as compared with the other tenants. There was considerable complaint among the different tenants that there was discrimination in favor of these Senators. Justice Smythe (of the District Court of Appeals) brought an action before the Rent Commission to have his rents adjusted, and then the owners of the building asked that the rent of these Senators I have named be adjusted. Then the commission took it upon itself, of its own motion, although there were hundreds of other cases pending, to adjust the rents of all the apartments in that building. Notice was sent to all the tenants, and it is worthy, I think, of your attention, that of all the other tenants of that large building—170 apartments are in the building—not a single one appeared before the Rent Commission or asked that they have their rent changed. If you can judge by their action they were all satisfied except these distinguished Senators and this judge of the court here in the District of Columbia.

So the commission proceeded of their own motion to adjust those rents, and in the larger apartments of many rooms, of magnificent proportion and beautiful view, especially desirable—those were the ones where they lowered the rents the most, without a single exception. You take the majority of the inside apartments on the courts, occupied by one, two, and three persons, one room and bath, occupied by clerks or an Army officer, these cases, of their own motion, the commission, did not reduce the rent but increased it, or let it alone.

There is one tier that has, perhaps, the most desirable apartments in the city of Washington. It has the south, west, and east fronts, overlooking the entire city, consisting, as I recall, of seven rooms and two baths. In that tier every apartment is occupied by a distinguished and rich man, and every one of those apartments above the third floor was reduced \$60 a month, the greatest reduction that took place anywhere in the building.

Mr. HAMMER. What was the rent they charged prior to that time?

Mr. HUMPHREY. They charged \$290 prior, and they reduced it \$60.

Mr. HAMMER. Seven rooms and a bath?

Mr. HUMPHREY. Seven rooms and a bath, as I recall it.

The CHAIRMAN. Not furnished?

Mr. HUMPHREY. All apartments that I am talking about are unfurnished. And then perhaps the next most desirable ones to those mentioned are the ones that face west and south and north. I can hold up here a map and show it to the committee. It is this apartment here [indicating]. This is south. It shows what a magnificent view you have in this direction, and here, south. It is especially desirable in the summer time. The owner fixed the rent on those apartments as follows: Tier 12, apartment 212, \$155 per month.

Mr. WOODRUFF. What was the original rent asked for that?

Mr. HUMPHREY. The original rent in the beginning, when it was first constructed, I think was something like \$105, as I recall it.

Mr. WOODRUFF. Has the cost of constructing that particular building increased since it was constructed?

Mr. HUMPHREY. No; but the cost of operation has increased. And then No. 3 (apartment 312) was fixed at \$165. There is a garage that practically cuts off the view to a certain extent in a particular direction from those two apartments, but when you get up to the 400 number, it is above that garage and you have this beautiful view. The owner fixed the rent at \$175 for apartment 412 and apartment 512 at \$180; apartment 612 at \$185; and apartment 712 at \$185.

The commission changed this schedule and here is what they gave: A reduction of \$5 on apartment 212; a reduction of \$5 on 412, or from \$175 to \$170. When you get up to where you can see the beautiful view, they fixed it at \$170; apartment 512, \$170; apartment 612, \$170; apartment 712, the most desirable and most beautiful one of all the apartments—and I think in many

respects per square foot it is the most desirable apartment in that building—they fixed at \$120 per month.

Mr. MILLSAUGH. Who occupies it?

Mr. HUMPHREY. Senator Thomas J. Walsh.

Mr. O'BREIN. From Montana or from Massachusetts?

Mr. HUMPHREY. From Montana. Now come to tier 29. I want to give you some figures there. On apartment 529 the owners fixed the rent at \$90 per month; the commission fixed it at \$80. Apartment 629, the commission fixed the rent at \$80 per month, while the owner's price was \$90 per month; apartment 429, the owners fixed the price at \$90 per month, while the commission fixed it at \$80 per month; apartment 329—in combination—is fixed at \$50 per month. The other tenants pay \$80.

Mr. MILLSAUGH. Who occupies that?

Mr. HUMPHREY. Senator Culberson.

The CHAIRMAN. What are the tactics of these men to get these low rates? I am as good trader as they are. I can not get any such rates as that.

Mr. HUMPHREY. I think the fact that I was an "ex" cost me about \$20 a month.

I want to call attention just a moment a little further in regard to Senator Walsh's apartment. I want to be fair to the Senator. The Senator occupies that top apartment. His reduction is \$65 a month from owner's schedule. He made a statement on the floor of the Senate, and I want to have the benefit of that statement. I would not do an injustice to him, and I am not blaming Senator Walsh; I am blaming the commission, if anybody is to blame. After he leased his apartment one of the partitions was taken out—this one here [indicating] and this door here was made a double door, so that along this south side of the front connecting with the porch he had a room there that is 31 by 14 feet long—a magnificent room, so as to give him a view of all the city, and a double door between that and the porch. That change was made at his request and the owners paid for it.

Mr. MILLSAUGH. About how much?

Mr. HUMPHREY. About \$200. But anyway, if there was a change made in the partitions, it was made at his request and the owner's expense, otherwise the apartments are identical. This apartment of Senator Walsh that rents at \$120 has five rooms and two baths; the apartment I occupy, adjoining the twelfth tier, has four rooms, one bath, and a porch; it has two fronts—north and west. The twelves have three fronts—south, west, and north. The four-teens rent for \$140, and Senator Walsh's in the twelves rents for \$120.

I want to show you a little further. You take the 424 tier. The only other unfurnished one in that tier rents for \$40, but (in combination) Senator Gooding gets it for \$25. I want to call your attention to another thing. You take this tier 10 I have spoken about, where the tier is occupied by Justice Clarke in one of them, two Senators, two Members of the House and Mr. Oyster, one of the Commissioners, (formerly one of the rent commissioners), and in that tier, as I called to your attention, is the greatest rent reduction that took place in the entire building.

Mr. MILLSAUGH. Will you put the reduction in the record?

Mr. HUMPHREY. Yes, sir.

The CHAIRMAN. If you will permit it, we will insert here the exact statement of Senator Walsh.

Mr. ———. You take tier 22, apartment occupied by two persons, one room and bath, rent increased from \$40 to \$42.50; apartments, tier 23, occupied by one and two persons, one room and bath, rent increased from \$35 to \$37.50; apartments, tier 26, the most undesirable in the building, occupied by one person, one room and bath, rent increased from \$30 to \$32.50. None of the tenants went before the commission except the Senator named and Judge Smythe. I want you to compare those small apartments occupied by one and two tenants, consisting of one room and bath, where the rent was increased with this: Senator C. A. Culberson, occupied by three persons (occasionally), four apartments, Nos. 300, 301, 302, and 3029, 10 rooms, 5 baths, 1 foyer, and 1 porch, rent reduction \$57.50.

The CHAIRMAN. What is the total? What did he pay for it?

Mr. HUMPHREY. There are five baths for three people. Reduced from \$407 to \$350. Now take another one, Justice Clarke, occupied by one person, seven rooms, two baths, one foyer, one porch, rent reduction \$60, from \$290 to \$230.

The CHAIRMAN. I understood you to say this was because of intimidation, because of some kind of profit or intimidation of these people; that it is not on account of any fear of the owners.

Mr. HUMPHREY. I am telling you what the Rent Commission did. I do not attribute it to intimidation.

The CHAIRMAN. What we want to find out is this discrimination between a Congressman, a Supreme Court Judge, and the poor clerk that is running around here?

Mr. HUMPHREY. I am giving you the facts. I only make this suggestion, that these tenants are influential. The jobs of the Rent Commission will expire within a few days and you can draw your own inference.

Mr. MILLSPAUGH. In order that no injustice may be done to Senator Walsh, quote into the record that statement. It is very short.

Mr. HUMPHREY. I wish you would.

Mr. MILLSPAUGH (quoting):

"Senator WALSH of Montana. Now, my rent was increased. If the Senator wants to know, the rent of my apartment is less than the rent of other apartments in exactly the same row. I occupy the top apartment and that apartment suffers by reason of construction details, and therefore I do not pay as much as others in the same row. The probabilities are that the Senator has been misled about that score.

"Senator POINDEXTER. No, I do not think so."

Mr. HUMPHREY. Let me add in reply to that statement that I am going to put into the record so there will not be any question about it (this is what was given to me by the owners):

"Senator Walsh claims that there is a structural difference in his apartment as compared with others in the tier. After Senator Walsh leased the apartment, interior changes were made at his request, at the expense of the landlord. Both Senator Walsh and the landlord, at the time the change was made, thought it added to the desirability of the apartment. All things considered per foot space, Senator Walsh's apartment is the most desirable in the building. This is my individual opinion. He pays proportionately less than any other tenant."

Senator Goodling occupies two apartments, 424 and 425. They are occupied by two persons—six rooms and two baths, one foyer and one porch. Senator Thomas occupies two apartments, 503 and 504, three people, seven rooms, three baths, one foyer, and one porch; the rent reduction was \$37.50. Congressman Snell occupies two apartments, 509 and 510—four people, two being children; eight rooms, three baths, one foyer, and one porch; the rent reduction was \$60. Hon. J. H. Covington occupies three apartments, 600, 601, and 602, occupied by four persons, two being children; eight rooms, four baths, one foyer, and one porch, with a rent reduction of \$35.

Senator J. H. Kendrick occupies three apartments, 700, 701, and 702—four people, eight rooms, four baths, one foyer, and one porch; the rent reduction was \$35.

Senator A. A. Jones occupies an apartment, three people, one of them being a child; eight rooms, three baths, one foyer, and one porch; rent reduction, \$65.

I will leave this with the committee so that they can see and have the exact figures for reference to it.

Mr. MILLSPAUGH. Is it not a fact, Mr. Humphrey, that this action was taken on the initiative of the Rent Commission while more than 1,000 cases were passed on the docket unheard, the majority of them since September and October and November of last year, and that this reduction benefits Senators and millionaires and Representatives in Congress—those able to pay—that they increased all those of moderate means and limited means, and absolutely abandoned the others who had brought their claims on their own motion?

Mr. HUMPHREY. I can not state that except as hearsay. In this case I know that the Rent Commission of their own motion fixed the rents. Outside of the Senators apartments and Judge Smyth's, the other tenants had no complaint to make.

I think it is the conviction of every tenant in that building that it is the cheapest rent in Washington. We have hotel service, all night elevator service, diningroom, ballroom, every facility that is furnished by any hotel in the city of Washington and in addition to that, the rent includes the light, the heat, and in housekeeping apartments it includes cold storage. But the point I am trying to make, the point I am trying to emphasize is this: That in these large and luxurious apartments they have not only reduced the rent but they have not put as high a rate per foot on those larger and more desirable apartments that have the beautiful view and are outside than they have on the smaller inside rooms. The purpose of the rent law, as I understand it, is to furnish

at reasonable rates a place where people can exist in reasonable comfort that are necessary to run the Government, and if these rich men want to occupy, as in one case, where there are 5 baths and 10 rooms, for 3 people, and in other cases where 7 rooms and 2 baths are occupied by one person, they are departing from the spirit of the rent law. If people want to pay for occupying space of that kind, the Rent Commission ought not to come in and voluntarily adjust those rates. That ought to be left to the landlord, because if they are going to have the luxuries let them pay for them. It is not the purpose of the rent law, where rich people occupy these luxurious apartments, to fix rents for them, but that they are to equalize the rent of people who are necessary to carry on the work of this Government?

Mr. MILLSAUGH. Is it not a fact that when a person occupies three or four apartments, it would take two or three apartments off the market?

Mr. HUMPHREY. You can draw your own conclusion. If these larger apartments had the same number of people as the smaller, the number of occupants of that building would be double.

The CHAIRMAN. Is there anything further?

Mr. HUMPHREY. Nothing further. I will file this statement if I may.

WASHINGTON, D. C., April 26, 1922.

HON. BENJAMIN K. FOCHT,

*Chairman Committee on the District of Columbia, Washington, D. C.*

DEAR SIR: As representing the owners of Meridian Mansions, 2400 Sixteenth Street, I desire to present to the committee some facts for their consideration bearing upon the acts of the rent commission in fixing rents on said property.

May I say in the beginning that I want it distinctly understood that any statements I may make in relation to any of the distinguished tenants in said property are not in any way intended in the least degree as a reflection upon them. I know them all; most of them have been my friends for many years, and all of them are men of the highest standing and character. They are not to be criticized because they are prominent and influential; it is to their credit.

But the facts hereinafter set forth, all taken from the record, are given that the committee may judge of the fitness of the members of the rent commission to fill their office.

Meridian Mansions is one of the largest apartment houses in the city. Modern in every respect, and all things considered it is probably the most desirable from the standpoint of the tenant of any apartment house in the District. It was completed in the fall of 1917, and fully rented at that time. Then rents were very low as compared with the present.

Among the earlier tenants were United States Senators Jones, Walsh, Thomas, Kendrick, and Harris. As rents increased, practically all of the tenants in the building, except the Senators above named, consented to an increase of rent, and as there was no way of getting possession of the apartments occupied by the said Senators, and as many of the other tenants in the building complained of the discrimination in favor of the Senators, and as Judge Smythe, justice of the court of appeals, residing in said building, had brought the adjustment of his rent before the commission, the owners of the building asked that the commission adjust the rent of said Senators also. When this request was made by the owners the commission of its own motion—although there were hundreds of other cases pending at the time—proceeded to fix the rent of all the tenants of said building.

It is worthy of note that, although all the other tenants except those above named were served with notice, not one appeared before the commission asking for a reduction of rent. All the other tenants, if you can judge by their action, were satisfied with the rents the owners had fixed.

In this voluntary adjustment of rents by the commission, the commission gave the greatest reductions on the largest, most desirable, and most luxurious apartments. On the small court apartments, the least desirable, the commission in many instances increased the rent and in others left the rent unchanged, but did not decrease it on any of them. All apartments herein referred to are unfurnished.

In the fixing of the rents, gross favoritism is shown in many instances, and especially to tenants of prominence and political influence.

In one tier, No. 10, which is the most desirable in the building, all the apartments are occupied by prominent and rich tenants, and the reduction by the commission on the apartments in this tier was greater than anywhere else.

# 10 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

When a Senator occupied an apartment identical with less prominent tenants, gross discrimination was shown the Senator in several instances. This is fully shown by the table of rents and notes hereinafter submitted.

*Some idiosyncracies of the schedule fixed by the Rent Commission at Meridan Mansions, 2400 Sixteenth Street.*

	Tenant.	Owners' schedule.	Commission's schedule.
<b>Tier 12, apartment—</b>			
212.....	Wilson, Lester G.....	\$155	\$150
312.....	Merry, Wm. T.....	165	160
412.....	Willard, A. L.....	175	170
512.....	Rice, J. H.....	180	170
612.....	Rust, H. L., jr.....	185	170
712.....	Senator Walsh <sup>1</sup> .....	185	120
<b>Tier 29, apartment—</b>			
529.....	Perkins, Geo. T.....	90	80
629.....	Tyner, Geo. P.....	90	80
729.....	McIntyre, H.....	90	80
329.....	Senator Culbertson (in combination) <sup>2</sup> .....	.....	50
<b>Tier 24, apartment 424.....</b>	<b>Senator Gooding (in combination)<sup>3</sup>.....</b>	<b>40</b>	<b>25</b>

<sup>1</sup> All the apartments in each tier are identical, with the exception of the one occupied by Senator Walsh. Senator Walsh claims there is a structural difference in his apartment as compared with others in the tier. After Senator Walsh leased the apartment, interior changes were made at his request, at the expense of the landlord. Both Senator Walsh and the landlord at the time the change was made thought it added to the desirability of the apartment. All things considered, per foot space, Senator Walsh's apartment is the most desirable in the building. He pays proportionately less than any other tenant.

<sup>2</sup> Senator Culbertson: It will be noted that Senator Culbertson secured apartment No. 229, two rooms and bath, fronting on Sixteenth Street, for \$50 per month. Other tenants pay \$80 for a similar apartment.

<sup>3</sup> Senator Gooding: It will be noted that Senator Gooding pays \$25 for apartment 224, while other tenants pay for a similar apartment \$40.

Tier 10 has the most desirable apartments in the building, perhaps the most desirable in the city of Washington. Each of these apartments is occupied by prominent and influential men, and the reduction in the rent of these apartments was greater than in any other apartments in the building. Here was an opportunity for snobbery, favoritism, and the courting of influence in the aggregate. The commission did not overlook the chance.

The basic purpose of the rent law is to provide necessary living accommodations at a reasonable price for those who are compelled to live in Washington City in order that the work of the Government may be properly performed. But the Rent Commission did not reduce rents on small apartments where it was a case of necessity or comfort, but on large apartments which were maintained, not for necessity or comfort, but in many instances as a luxury. Necessity was punished and luxury rewarded in the fixing of rents by the commission.

Look at this list:

Apartments, tier 22: Occupied by two persons, one room and bath, rent increased from \$40 to \$42.50.

Apartments, tier 23: Occupied by one and two persons, one room and bath, rent increased from \$35 to \$37.50.

Apartments, tier 26: The most undesirable in the building. Occupied by one person, one room and bath. Rent increased from \$30 to \$32.50.

The above apartments are the most undesirable and the cheapest in the building, in courts on the north side, occupied by poor tenants, and all the space they occupy is necessary for their comfort. They are not taking up space that they could yield to some one else and thereby help the congestion of which the rent commission complains, but which they forget in the fixing of their schedule.

Now turn from that list above given to this list:

Senator C. A. Culbertson (four apartments, 300-329): Occupied by three persons, occasionally four; 10 rooms, 5 baths, 1 foyer, and 1 porch; rent reduction, \$57.50.

Judge J. H. Clarke: Occupied by one person; 7 rooms, 2 baths, 1 foyer, and 1 porch; rent reduction, \$60.

Representative A. T. Treadway: Occupied by two persons; 7 rooms, 2 baths, 1 porch; rent reduction, \$60.

Senator F. R. Gooding (two apartments, 424-425) : Occupied by two persons; 6 rooms, 2 baths, 1 foyer, and 1 porch; rent reduction, \$25.

Senator C. S. Thomas (two apartments, 503-504) : Occupied by three persons; 7 rooms, 3 baths, 1 foyer, and 1 bath; rent reduction, \$37.50.

Hon. Bertrand H. Snell (two apartments, 509-510) : Occupied by four persons, two being children; 8 rooms, 3 baths, 1 foyer, and 1 porch; rent reduction, \$60.

Hon. J. H. Covington (three apartments, 600-601-602) : Occupied by four persons, two being children; 8 rooms, 4 baths, 1 foyer, and 1 porch; rent reduction, \$35.

Senator J. H. Kendrick (three apartments, 700-701-702) : Occupied by four persons; 8 rooms, 4 baths, 1 foyer, and 1 porch; rent reduction, \$35.

Senator A. A. Jones : Occupied by three persons and one child; 8 rooms, 3 baths, 1 foyer, 1 porch; rent reduction, \$65.

I ask you to study the above tables. They condemn the Rent Commission more strongly than an language that could be used.

I leave it to the committee to find the reason for such glaring discrimination in favor of influence, wealth, power, and luxury, and against the poor and the humble, and necessity, in flagrant violation of the spirit and intent of the rent law. To say that it is carelessness or incompetency is to attribute to the commission a warped and twisted mentality that produces unbelievable stupidity. To say it is favoritism is still more reprehensible. But view it as you will, however reluctant you may be to reach such a conclusion, you are forced to the opinion that it is "fawning and favoritism," the "bending of the pregnant hinges of the knee" to greatness, the desire to court influence in order to secure the perpetuity of their job, that controlled the Rent Commission in the fixing of the schedules. Apparently the greatness of the tenant and not the value or desirability of the apartment was the controlling factor.

The action of the Rent Commission in reference to this property is unjustifiable, stupid, discriminating, reprehensible, and fawning, and shows that they are utterly unfitted to fill the offices they hold and that they should be peremptorily removed by the President.

Respectfully submitted.

W. E. HUMPHREY,  
*Attorney for Kennedy Bros. (Inc.).*

Mr. ZIHLMAN. Have you any figures on the investment and return on the same?

Mr. HUMPHREY. The investment on this particular property is a little over 5 per cent. If you value it at a fair market value, it is less than 5 per cent.

Mr. ZIHLMAN. That is the return?

Mr. HUMPHREY. The return.

Mr. ZIHLMAN. The return on the capital invested?

Mr. HUMPHREY. Return on the capital invested—the net return on the actual capital invested; according to the records, as I am informed by the attorney (I have no record), the first year was 3 per cent, and last year was about 5 per cent. That is not on the value of the property, but on the money invested in that property.

The CHAIRMAN. Let me ask you about that. Let us get down and not get so far away from the earth on that very question, which seems to be the whole trouble of the housing question here in Washington. We would lack intelligence if we did not comprehend that one point. Now, you say that is on the investment. Whose investment? The original investment or after it had been turned over two or three times and the price increased a million dollars?

Mr. HUMPHREY. The original investment. It is owned to-day by the people who built it.

The CHAIRMAN. You understand that some of these apartments cost one-half million dollars and they are sold for a million dollars to another, and then resold for a million and a half, and they have to get their rent out of them.

Mr. HUMPHREY. The men who built this apartment own it to-day and there has been no turnover, and when I speak of an investment I speak of the amount put into constructing it.

Mr. SPOUL. It would cost a little more than 50 per cent more now than it cost in 1917 to construct it?

Mr. HUMPHREY. Yes, sir; if it were constructed to-day it would not bring more than 2 per cent on the cost.

Mr. REED. How does it compare with the Hadleigh?

Mr. HUMPHREY. It is a much higher grade building than the Hadleigh.



Mr. HAMMER. That is the first time I ever heard the Rent Commission attacked or criticized for favoring the large—the largest and most luxurious apartment house. The complaint against them has been for favoring the laboring people and pandering to that class, if any—that is what I have heard some complaint of heretofore.

Mr. HUMPHREY. The pandering is all in the other direction in this case.

Mr. HAMMER. You see there are some 80 people who live in these houses. Conditions here were such that when business houses were eliminated from the Ball rent bill, when it was extended before, prices went up immediately. Do you not think we ought to have legislation to, in some way, control these profiteers and these people in this narrow, restricted territory where the city occupies the whole District. Conditions are different here from anywhere else except possibly in New York and a few other cities, and, furthermore, this is the seat of Government—and peculiar conditions exist and Congress has an important duty to perform.

Mr. HUMPHREY. I recognize that fact and I recognize there may be conditions involved where some regulation is necessary, but this thing, it seems to me, you must consider is the war emergency still on, but when you go back to normal, this kind of law is always a mistake, and the only question is whether or not the time has not come that we will more quickly adjust ourselves if the law is not extended.

Mr. HAMMER. Do you not think we have the right under the Constitution and the police regulations to extend this?

Mr. HUMPHREY. I do not think there is any doubt about the power, but I do think that this bill as drawn now will get by the Supreme Court, because it is made stronger than before.

Mr. HAMMER. Do you not think this Rent Commission will do what they think is the best thing for the people of the District?

Mr. HUMPHREY. Well, I can only say from what they did up there.

Mr. MILLSPAUGH. In borrowing money on the Meridian, what rate of interest would one have to pay?

Mr. HUMPHREY. I do not know. I am not an expert and I do not know.

Mr. MILLSPAUGH. Would it not be from 6½ to 7 per cent at the present time?

Mr. HUMPHREY. I am not a resident of the District and I am unable to answer it.

The CHAIRMAN. Here is something quite pertinent to this whole situation. Here is a statement made on the floor of the Senate which I will read but will not insert in the record. It shows the number of building permits issued for the District, which has constantly increased from 1918 down to date.

Now, they say that while this indicates a desire and a hope to reach a conclusion and solution of this whole question, that these people have been unable to borrow money on account of this rent law, and hence these permits have not been availed of. What do you know about that?

Mr. HUMPHREY. I do not know anything about it. The witnesses perhaps can be produced and will testify on it, if you would like to hear them. I am not competent to testify on it.

The CHAIRMAN. You see, when you jump up a percentage like that, it will solve itself so far as the housing question is concerned if they build them, but they say they can not build them unless they get the money and they will not loan money under this law.

Mr. HUMPHREY. Well, I do not know.

The CHAIRMAN. Well, we ought to know. That would settle the whole question in my mind.

Mr. HUMPHREY. I was here for the specific purpose of pointing out the inequalities in the rent law.

Mr. REED. You are an ex-Member of Congress?

Mr. HUMPHREY. Yes.

Mr. REED. You can put yourself in the situation of a Congressman. Do you think that a rent commission that would fix rents here with proper regard for a reasonable return on the investment would be wrong if they did it that way?

Mr. HUMPHREY. No. That ought to be one of the main guides.

Mr. REED. The laws of all the States put a maximum on what rent you can charge for your money when you loan your money to a man, and you may lose it all, but you can not lose an apartment. You may lose a little money on it, you may lose your \$10,000 you rent to a man also. My State says you can not rent money to a man for more than 6 per cent.

Mr. HUMPHREY. That is true, but if you borrow enough on your building you might lose your rent. If you want to go into details on that, Mr. Rowland is here. He is the attorney who was before the Rent Commission and he can give you all the details.

Mr. MILLSAUGH. Under the law of your State, suppose you loan a thousand dollars to John Doe and he comes in and is not ready to pay it, the law does not say that you must lend it to him, but you can loan it to whom you please?

Mr. HUMPHREY. I thank you, Mr. Chairman and gentlemen.

#### STATEMENT OF MR. JAMES H. PATTEN, WASHINGTON, D. C.

Mr. PATTEN. Mr. Chairman and gentlemen of the House Committee on the District of Columbia, I am here quite of my own notion and motion. I am not retained by any person, corporation, interest, or any influence of any kind. If I represent anyone it is the poor, helpless, landlord, in the clutches of a heartless tenant, the rent law, who lives at 4799 Conduit Road, NW., Washington, and for whom I conducted an unsuccessful response, April 17, to a complaint filed before the Rent Commission March 21, last, by John H. Bernd.

It happened in this way: The landlord, Robert O. Barnes, belongs to a patriotic society, the Patriotic Order Sons of America, of which I am the national vice president, and he came to me because of that fraternal relationship. He is a struggling, one-armed, upright young man, with a family consisting now of a wife and three children, who last November, when there were only two children in his family, purchased a two story eight room frame house at 4799 Conduit Road. Learning that Mr. and Mrs. John H. Bernd desired to find other quarters, he approached them, suggesting that inasmuch as he was buying the house at 4799 Conduit Road and they had no children, he would be glad to have them move into the house December 5, when he moved in, and to occupy the four rooms upstairs at \$25 per month in advance. No written contract or lease was entered into.

Mr. Bernd accepted the proposition and moved into the house December 5 at the same time Barnes moved in, paying one month's rent in advance. On January 5 Bernd paid another month's rent. During December and January Barnes gradually came to the conclusion that the four small rooms on the first floor were not enough for his family of four, particularly in view of the coming confinement of his wife, inasmuch as he would have to have additional space for her and for relatives who were to help care for her, during her illness. On February 5, when Bernd came to pay rent, Barnes told him he needed the upstairs rooms and asked him if he would not find other accommodations, as he, Barnes, felt there was not adequate space downstairs for himself and family, in view of the approaching illness of his wife and the expected increase in his family. Bernd testified before the Rent Commission on April 17 that he tendered Barnes \$25 in payment of one month's rent on February 5, but he did not remember the denomination of the bills, the kind of money offered, or what his wife said on that occasion to Mr. Barnes. Mrs. Bernd had to be called by Landlord Barnes, as the complainant's lawyer and the complainant, her husband, decided it would be better not to put her on the witness stand on account of what she said to Barnes February 5. She testified that her husband offered Mr. Barnes, the landlord, five \$5 bills, when pressed to explain how she knew the amount her husband tendered. She also testified having told Mr. Barnes they would not move; that he could do his "damndest," etc., and they would go to the Rent Commission and do theirs.

On February 27 Mr. Barnes, the landlord—and this seems to be the day of singling out all landlords as awful, grasping profiteers, although I submit that Mr. Barnes, a likeable, one-armed struggling young husband, is anything but such—he found the bedroom on the first floor damp and wet. It was not on the same level with the other three first-floor rooms, being lower and on the ground. I am sure he honestly felt the necessity of providing additional and more sanitary sleeping and convalescent quarters for his wife and the little one soon to come into his family. As I started to say, Mr. Barnes through the advice of a real estate man, who apparently acts as his own lawyer, served written notice on Bernd February 27 to vacate in 30 days. Bernd waited until March 21, and then filed a complaint with the Rent Commission. Barnes came to me, and as a fraternal act of charity I put in an appearance before the Rent Commission for Barnes forthwith making a motion to advance the hearing on account of the approaching illness of Mrs. Barnes. I filed the motion on Monday, March 23, the day Barnes solicited my aid. The commis-

sion heard the motion the following Friday, March 31. Mr. and Mrs. Bernd were present. The commission suggested that some evidence be taken that day, but Mr. Bernd hesitated and his wife took charge, saying that they must have time to get an attorney. The commission held the motion under advisement and called the case April 17, when the above facts were developed. Mr. Bernd admitted that he had not paid any rent since January 5, and that he had not offered to pay any rent since February 5, although he claimed he did, and knocked upon Mr. Barnes's door March 5, on his way out, with the intention of paying rent. He admitted being on the premises daily thereafter and that the Barneses were there daily, but he made no further effort to pay Barnes for either February, March, or April.

Bernd did not file his complaint until March 21, having been notified verbally February 5, and having been served with a written notice February 27.

Mr. REED. That is, 1922?

Mr. PATTEN. Yes; this year of our Lord 1922.

Mr. SPOUL. Had the tenant's lease expired?

Mr. PATTEN. I think so. I do not think there was any relation of landlord and tenant. I certainly do not think there was any tenancy relationship on and after March 5, and I made that particular point, pressing it with the Rent Commission, on April 17, calling to the commission's attention the fact that the tenant had boldly, brazenly, and blatantly testified he paid no rent March 5, and did not even try to pay any rent April 5. It seems to me that his failure to pay rent and to make a legal tender dissolved any landlord-tenant relationship that might have existed theretofore. And after the Rent Commission announced on April 17 that it found for the complainant, saying that the landlord, Mr. Barnes, did not want the rooms "in good faith," although he had testified he did, I asked the commission to note an exception to their determination on the ground that the original lease was an oral one, and that failure to tender and pay rent three successive, or even one rent day, ended the tenancy and entitled the respondent to his rooms, even if the commission thought he committed perjury when he swore he wanted the rooms for his own use and the use of his family, as provided in the rent law and which, if he did, entitled him to have the complainant's complaint dismissed.

Mr. Barnes testified that Mr. Bernd came to his door on the 5th of February to pay the rent, but that he told Bernd before Bernd made any tender that he (Barnes) did not want the rent, but wanted the rooms, and explained why he wanted them. Bernd testified, as I have stated, that he offered Barnes \$25 February 5, but he could not remember the denomination of the bills. Mrs. Bernd testified her husband offered Barnes \$25 and when pressed to explain how she knew the amount said it consisted of five \$5 bills. Consequently it was proved by preponderance of evidence that there was a legal tender, on February 5. Bernd admitted he did not tender any money to Barnes March 5, but said he went to Barnes's door to do so, and knocked, but got no response. He made no effort whatsoever after April 5 to tender any money at all. And it was on this legal ground of error that a cash deposit of \$50 has been put up with the Rent Commission and the determination appealed to the Court of Appeals of the District of Columbia.

Mr. HAMMER. Let me ask you a question: Have not you a right to dispossess the tenant when property is used for your own purposes? Why should the commission—

Mr. PATTEN. Indeed, you have the legal right to do so, but the commission in this case found that Barnes did not want the rooms "in good faith" for his own use and the use of his family. Not one word of evidence was introduced to show he wanted them for the use of any one else. What can the landlord do in this case? I have appealed it. He has to go from one place to another, from pillar to post, and he can only take the case up on a point of law on appeal from the commission. The finding of the commission is absolutely final as to the facts. This tenant, Bernd, testified he had not paid rent or made any effort to pay rent for the current month of April, that it was due and had been due and unpaid for two weeks, and that there were two full months rent unpaid and one of those two months untendered. The commission ignored the failure to tender or pay rent on the part of the tenant and handed down a determination that the dead-beat tenant can remain in possession, even where there is at most a mere oral lease, for that is what the decision amounts to. I think such a decision the height of injustice. And I am here, merely as an individual, who feels the outrage of the decision, to ask you to amend the law if you report it, and make it mandatory for the commission to take into con-

sideration whether the tenant is a dead-beat and has paid or lawfully tendered the rent due the owner of the premises. No tenant should have any standing before the commission for the continuation of possession of premises unless he pays the owner the rent due or pays it into the commission.

Mr. HAMMER. I thought you had a right to dispossess a tenant when property is wanted for your own purposes, under the present law?

Mr. PATTEN. But that is conditioned on your wanting the property in "good faith," in the opinion of the commission. The commission determined without a shred of evidence to the contrary and in the very face of the Mr. Barnes' testimony that he did not want the rooms for the use of himself and family "in good faith." You can only appeal from the commission on a question of law. I have appealed to the Court of Appeals of the District, but the Lord only knows when we will get a decision. Meanwhile the insolent tenant remains in possession without tendering rent due, or performing his part of the bargain.

Mr. HAMMER. This can be expedited by having it appealable to another court. I will admit that the charge has been made, the truth of which I do not vouch for, the Court of Appeals has delayed in every possible way to make the law inoperative, but in this amendment in the pending bill appeal goes to the Supreme Court of the District of Columbia in order to expedite it.

Mr. PATTEN. When the commission determines whether a tenant stays, why should it not take into consideration whether the tenant has paid rent and is entitled to stay? Why should a tenant be continued as this one is when he brazenly and boldly testifies he has not even made any effort to tender any rent on the last or the previous rent day?

Mr. HAMMER. But he did tender February's rent.

Mr. PATTEN. But this decision was made in April. March 5 rent pay day and April 5 rent pay day rolled around, and he testifies he did not even tender or make any effort on April 5 to pay the rent due, nor did he make any such effort since March 5 according to his own testimony.

Mr. HAMMER. But he did tender February rent.

Mr. PATTEN. Admit he paid it, which he did not. But suppose he did, is that any reason why he should not pay rent for March and April? Why should the Rent Commission deprive an owner of his premises for any purpose he wants to put them to, whatsoever, if the tenant has failed two or even one rent pay day to make any effort to tender the rent due and unpaid?

Mr. HAMMER. Under the law, if he wants to use the premises for his own purposes, may he not be dispossessed? That is the law, as I understand it.

Mr. PATTEN. It is not the law as enforced and administered by the present Rent Commission and in this particular instance.

Mr. HAMMER. It is the written law.

Mr. PATTEN. Then the commission does not enforce the written law. I am here without a red penny for my efforts, and I was before the Rent Commission without a penny for my effort there. It was a charity case, and grew out of the fraternal spirit and practice of the Patriotic Order Sons of America to which we both belong. Barnes is a one-armed, young man struggling to get along and has a family of four. He is not in a financial position to have to go to all the expense involved in this maladministration of this bad law, in order to get his property.

This is the only case I have had before the commission. But let me say this, that this one case is quite enough to convince me that my home will be sold under the hammer and on the block before I will ever let my vacant third floor to another family and run the risk of being cursed in my own domicile and have to continue to house in my own home a disagreeable, heartless, childless couple that will go before a Rent Commission and, as a result of this law you gentlemen are asked to continue, tell how they cursed me out—how they have not paid any rent for months, and that they will stay on. I say that a rent law that is administered in that way is an abomination, and I can not conceive of any person this side of Russia and many of its beggars there, saying it is not.

Mr. ZIHLMAN. How often does the Rent Commission meet and at what hour?

Mr. PATTEN. I have had to do with only this one hearing, but in order to get that advanced, I had to visit the commission four or five times and telephone a number of times. I think they meet about 10 a. m. and adjourn about three, or four taking an hour or so off for luncheon. The commission is five or six months behind with its docket. A complaint filed to-day will be reached in regular course some time next fall, and if the owner of the premises is treated

as Mr. Barnes was treated the tenant won't have to pay any rent during that six or seven months and not for a year or so more when the court of appeals rules on the question of law carried up on appeal, which may result in the case being remanded for rehearing and another similar performance.

Mr. REED. The owner in this case would have declined to receive the rent at any time if it had been tendered? To whom would the tenant have paid it? The owner did not want to commit himself.

Mr. PATTEN. The tenant got his decision, but he has not tendered any rent since. He seems to be as slack about making a lawful tender and doing his part since April 17 as he was before April 17.

Mr. REED. But the owner would not take it.

Mr. PATTEN. I do not think that is any excuse for the tenant's failure to offer the money due and unpaid when the rent day came around each month. Why not write a provision into this bill, if it is to be passed, under which the tenant must pay the landlord or pay the money due to the commission for the owner, before he can file his complaint?

Mr. REED. That is the point I want to get at.

Mr. PATTEN. The owner in these cases wants the property and not the rent, to be sure.

Mr. REED. If you had a renter whom you desired to dispossess occupying your premises you would not take the rent; you would not want to commit yourself.

Mr. PATTEN. But that is no excuse for the tenant not offering the amount due each rent day. The owner might change his mind. If he had taken the rent February 5, the tenant could have stayed on. He would have been entitled to his money's worth. But the fact the owner refused the rent February 5 is no excuse for the tenant never offering to pay the rent due on each future rent day. The commission held that when the landlord, Barnes, served Bernd, the tenant, with written notice February 27 he thereby consummated a relationship of landlord and tenant. Barnes thought he was doing the lawful thing any good citizen should do when he tried to conform to the law and served a written notice February 27.

You asked about the commission's meetings, Congressman Zihlman. I can only state what I saw. During the forenoon of April 17, from about 10.15 a. m. until 12 noon, there were never more than two of the three commissioners present during the hearings, and part of the time during the hearing on the Bernd-Barnes case only one was present of the two men.

Mr. MILLSPAUGH. Is it not a practice with the commission when it meets at 10 or 10.30 that if some attorney who is appearing in one of the cases, who has a case in court, that the commission adjourns and lets them go ahead? I went down myself and spent three days finding out what I could about the commission.

Mr. PATTEN. I think from what I saw, all sorts of things go on down there. Some things I saw and experienced were downright ridiculous and outrageous. I have been at the commission only on this one complaint, as I stated, and I can only describe what I saw during the times I visited the commission with regard to it the past two months. Although the Bernd-Barnes complaint, No. 6151, topped the typewritten trial list for April 17, there were all sorts of juggling and shuffling of the cases, and some were called further down the list and disposed of ahead of the case I was particularly interested in—Bernd v. Barnes. I recall some rather undignified near-vaudeville performances gotten off about bootlegging and the like when a complaint between two darkies was disposed of. I do not appreciate getting down on that level and wasting time in that way when there is an institution of society conducting an affair of state of such vital and far-reaching importance.

The commission is woefully behind with its docket. Instead of enlarging the commission from three to five members, it seems to me, in answer to your request for suggestions, Mr. Chairman, that you ought to create about five commissions so that the pending cases can be promptly disposed of. The commission is five or six months behind with its hearings.

Mr. MILLSPAUGH. They are seven months behind.

Mr. PATTEN. I did not want to exaggerate.

Mr. HAMMER. I think their idea in increasing the membership is to have three sections of two members each; and then they have inspectors under this amendment by which they will not have to go and inspect the buildings except in rare cases.

Mr. MILLSPAUGH. Don't they propose that each commissioner shall sit by himself?

Mr. HAMMER. They call it three rings.

Mr. PATTEN. I would say that there is only one ring down there now, all right, all right.

The CHAIRMAN. I will make a statement of the situation as I see it. Fundamentally, the proper way for this thing to be solved would be to have the free flow of supply and demand. It has been asserted that that can not be done for the reason that you can not finance building operations on account of the Rent Commission. Have you anything to suggest? We are trying to perfect this law. Is there any way by which this commission can function so that there can be a perfect administration of the law, the same as applies to any other law? I have great respect for and confidence in you, Mr. Patten, for I have known you a long time, and I do not see why we can not perfect it so there will be an even balance of justice between owner and tenant.

Mr. PATTEN. I certainly reciprocate the respect and confidence you so generously express. To repeat, my first suggestion would be, if you continue this law, to clean out the present commission and create four or five commissions so that the long list of pending complaints can be disposed of and new ones handled with promptness and dispatch.

You know, Mr. Chairman, there is nothing new about this price-fixing business. The proposal is old as the hills. So is feeding at the public crib. And so is propagandizing for the crib feeding process. There has always been a group that thought there was something new in price fixing, declaring it a simple matter for a governmental body to determine a just, fair, reasonable, and equitable price. As a rule the proposition when administered in a non-monopolistic field like this knocks prices into a middle of a fix, instead of fixing them. If you can fix rentals, why can not you fix the price of everything else? Recently I went to a tailor on F Street. He asked \$90 for a suit such as I have on. I went to another tailor two blocks away and he wanted \$60. Still another two blocks distance made it—this suit—substantially the same suit, for \$40. Tailors are profiteering—some of them. One must wear clothes, for it's a crime to appear in public unclothed.

Mr. O'BRIEN. Please give me the name of that tailor.

Mr. PATTEN. Silberg & Bros., Pennsylvania Avenue, near Seventh, on your way to the White House.

The CHAIRMAN. Is it a new suit?

Mr. PATTEN. It was when I got it—brand new, tailored out of brand new cloth, all wool, and a yard wide—a perfect suit and all that any man this springtime could fancy.

Man must eat. He can get along without some housing conveniences. There is the tin-can tourist, for instance, who camps here in large numbers on the speedway all the year around, as he migrates back and forth, North and South, with the changing seasons. He has to have clothing, something to eat, a number of other things that are not absolute necessities, but he actually shuns hotels and houses.

We do not regulate interest rates in any such way as the Ball law attempts to fix rentals. A certain rate is fixed as a legal rate and it is usurious to charge more than the maximum rate. Why can not rentals be regulated in some such way by allowing a fair legal rate of interest on the fair market value of the property, instead of turning over such autocratic, bureaucratic powers to two or three persons?

The commission has endeavored to fix rentals in that way and one of its determinations came to a sad ending, as more will, in the Court of Appeals the 3d of last January, when the court held that the rental fixed allowed only 3.5 per cent on capital invested and that this amounted to a "deprivation of property without due process of law" within the inhibition of the fifth amendment to the Constitution. The determination of the commission was characterized by the Court of Appeals as "unfair and unreasonable," and the court even held that there was not a "fair and impartial hearing" before the Rent Commission. Is it any wonder that the Senate committee in its report March 1, 1922, accompanying the Senate bill, S. 2919, now before you, extending the law, found that "the rental conditions in the District of Columbia which prompted the enactment of the original legislation approved October 22, 1919, and the extension thereof, as approved August 24, 1921, continue to exist, if they have not grown worse?" This is the only place in the entire world, unless it be Russia, so far as I know, where a body of three can absolutely determine the rent and price of space in every residential building in a large

area of territory, and that superhuman value-determining ability is obtained at \$5,000 per annum.

Mr. KELLER. You are not opposed to the idea of regulating rents, but you are opposed to a commission?

Mr. PATTEN. I recognize some regulatory legislation is sometimes necessary. No one wants to hit the profiteer any harder than I do. I try to keep out of his clutches and want to see everything effective done that can be done to weaken his clutches. As I related, I consult more than one tailor, just as I do more than one butcher, candlestick maker, and grocer.

For instance, I know three dispensers of seeded raisins in one business block who sell the same identical article here in Washington for 30, 27, and 20 cents per fifteen-sixteenths of a pound. The same is true of grape juice, which sells from \$3 to \$1.00 per gallon at the United Cigar Stores on coupon day. There is profiteering. A difference of 100 per cent in the price of common staples. •

Mr. KELLER. The reason is, the public have a place to go and get it at the lower price, if they will. But here they have not a place to go.

Mr. PATTEN. According to the finding of the Senate Committee on District Affairs the conditions have grown worse under the law here, while in every other place in this country housing conditions have improved, and the other places have no such drastic law as we have here, and people have been discharged and have left Washington in large numbers. I can not believe that adequate housing facilities will ever be secured by fixing rentals at a figure that will not permit a return of 3½ per cent on the investment. I am merely expressing an opinion of one who as yet is not interested financially in any rental property. I do have 16,000 square feet of unimproved land practically on Massachusetts Avenue, on which I would like to build an apartment house, but it will never be done so long as there is a Ball rent law on the statute books. Bankers won't finance such an enterprise under such repressive conditions as the Ball law.

Mr. HAMMER. I have a friend who told me he bought and sold three apartment houses within the last year and made \$120,000.

Mr. PATTEN. I believe it, and don't forget, the rent law and this commission functioned or malfunctioned at that time. I am sorry for the purchasers. They will rue the day they bought those apartment houses. A slump is coming, and soon. It is bound to come. It will come sooner and stay longer if this repressive law is repealed. There has to be a drop in these inflated values. This law is bound to delay it, however, in my humble judgment.

Mr. MILLSPAUGH. Referring to the question you asked awhile ago, Mr. Hammer, let me read from page 5, line 20:

"Any member of the commission may sign subpoenas, administer oaths and affirmations, summon witnesses, conduct hearings, and receive evidence touching any matter which the commission is authorized to consider or investigate, and the substance of such evidence, when certified to the commission by the member of the commission who heard and received the same, may be made the basis of the commission's determination respecting the matter under consideration or investigation."

Mr. HAMMER. Do you not think that is necessary in order to expedite the business of the commission?

Mr. MILLSPAUGH. No, sir; that gives one man the power to determine what the rent will be.

Mr. HAMMER. No.

Mr. REED. Does not the United States Supreme Court do the same thing, and likewise the higher courts in every State in the Union?

Mr. MILLSPAUGH. But you have not judges of courts when you go down to the Rent Commission.

Mr. PATTEN. Mr. Chairman and gentlemen, may I cite the complaint to which I referred? It is No. 6151, John H. Bernd v. Robert O. Barnes. It would be very easy to get a transcript of the record in that case from the commission, if you care for it. I thank you.

Mr. ZIHLMAN. You stated that you believed this present commission should be cleaned out?

Mr. PATTEN. I certainly do, from what I saw of it.

Mr. ZIHLMAN. That is what this bill—

Mr. PATTEN (interposing). Clean it out and create five new commissions so the congested docket can be cleaned up.

Mr. ZIHLMAN. This bill says five commissioners.

Mr. PATTEN. I say five commissions. The present commission found in Bernd v. Barnes that the owner of the premises did not "in good faith" want to occupy the second story, when he testified under oath that he did. Under the circumstances the commission ought to try to prosecute him for perjury.

Mr. O'BRIEN. You want a clean slate and the present commission wiped out?

Mr. PATTEN. I do; I think it functions rottenly.

Mr. REED. It has been suggested to members of the committee that the commission is now dealing with Washington as we find it to-day, with so many thousand houses now available; and the trouble is there are not enough houses. The landlords are not competing one with another for occupants. It has been suggested that the committee amend the law so that new buildings that are to be erected entirely on vacant ground from now on be exempt from the operation of the law and let the owners of the new buildings compete with the Rent Commission's rents; they say they will build more houses and under this plan they can finance their building operations, because they are outside of the Rent Commission's jurisdiction and can not be regulated by them. It would be up to them to compete with the scale of rents fixed by the commission.

The CHAIRMAN. That was the old principle of the tariff, that we shut out the foreign product; that we will produce it all here; that the factory in your town and my town will compete. Do you know what happened. They combined and fixed prices. What is to prevent these fellows from doing that?

Mr. REED. The Rent Commission has the larger competitive field.

Mr. ZIHLMAN. Judge Gilbert is going away, and he wants 10 minutes. If we do not give it to him to-day he will not get it.

Mr. PATTEN. May I try to answer the Congressman's question? That has been done in New York State, as I understand it, and it seems to me if you are going to be fair to the landlords, the property owners—I am not a landlord, I am here trying to represent a poor, one-armed, struggling landlord who is suffering and has been made to suffer so great an injustice—he and his family. I do own my own home and some unimproved land, and it will remain unimproved and the third floor of my home unoccupied so long as this Rent Commission exists.

As I started to say, if you want to be fair to the tenant and fair to the landlord, the owner as well as the occupant, you ought to see that the owner, the landlord, gets a fair return on his property. He is as much entitled to it as the tenant is to have housing facilities at a reasonable cost. If you are going to make a contribution to the tenant and let the tenant have the use of other people's property at an unfair return, a return far less than the money invested could be loaned at interest, you ought to make the difference up to the owner of the property out of the public treasury. I do not see why you should give the tenant rooms at a reasonable rate and not give the owner a reasonable and fair return on his property. You are oath bound to do the latter. The Constitution of the United States guarantees a fair return on and just compensation for private property taken for a public use or regulated because of a public use.

The CHAIRMAN. Do you want the return based on fair cost and valuation, or inflated costs of, say, 300 per cent?

Mr. PATTEN. I would not base it any more on inflated value than on the original cost, but would base it on the fair market value. The owner is entitled to that for his property, just as much as the tenant is entitled to fair and reasonable return for his rent money.

The CHAIRMAN. That is the whole question. If owners rented on the basis of original cost and a fair return on fair value there would be no question before us.

Mr. PATTEN. I hold no brief for any apartment house owner. Some old and antiquated and dilapidated apartment houses are not worth their original cost. Rents should not be based upon original cost. Neither should they be based on inflated, watered capitalization, but upon the fair market valuation, which is a superhuman task for any two men and one woman to perform as to all rental property, or apart, in Washington or any other place.

Mr. GILBERT. Gentlemen of the committee, I hate to intrude any remarks of my own at this time, and I would not were it not for the fact that my position would seem a little inconsistent without any remarks; and my reason for asking your indulgence to-day is that I have to go to Kentucky on Monday and will not be here at the next hearing.

I would like to say that it would not be necessary for me to hear any evidence. The evidence I have heard is sufficient, and I have no doubt it can be counter-



acted by all of the evidence necessary on the other side. The introduction of evidence before this committee in favor of landlords and in favor of tenants may go ad infinitum. There has been introduced evidence here on both sides in abundance, and yet it does not throw any light on any proposition in my mind except the proposition that it is wrong economically.

I voted for the extension of the Ball Rent Act before, knowing then, as I feel now, that it is unwise. I did so because I eased my conscience with the fact that there was an emergency. The original act was passed as a war measure. It was extended by reason of the fact that the emergency had not subsided. The argument was used at the Conference for the Limitation of Armament that was to be in session in this city and that other great events were to happen in the city which would make the situation remain abnormal, and I voted for it for the reasons stated. But I feel like we have come to the end of our rope, because it is unwise.

Mr. Humphrey's evidence is conclusive of one fact, and I take it for granted that it can be offset by abuse to tenants on the part of landlords equally as grave. It does not arise out of the fact that the commission is venal, but simply that it is human. Any commission you put there is going to be influenced as long as it is an arbitrary commission by artificial and arbitrary reasons.

I believe it is as unwise to attempt to fix the price of rents by law as it is the price of apples or any other thing, because as long as you have an artificial standard it will be controlled by artificial circumstances.

Mr. KELLER. You are opposed to fixing freight rates and other things all along the line?

Mr. GILBERT. No; I am not, as to freight rates, because that is a public utility.

Mr. HAMMER. Is not this to deal with a public use?

Mr. GILBERT. No, sir; absolutely not. A few railroad systems control the whole transportation facilities of the United States. It is as impossible for a few landlords to control the housing situation of any city as it is for a few merchants to control the price of flour in any city. They may, by reason of a temporary condition, have an undue advantage which they may take. But the only way to eliminate that advantage is by throwing it open to the natural law of supply and demand. As long as there is a commission, the Senators are going to receive preference, because the personnel of that commission is appointed by and with the advice and consent of the Senate.

But I want to get back to this proposition: The emergency spoken of by the Supreme Court in upholding this decision was this: It goes ahead and does not declare that any emergency exists, in its opinion; but it says that very great respect must be given by the courts to the legislative declaration that emergency exists, and it goes on to say that they take charge of the situation because of the emergency—"is necessary to promote the health, morality, comfort, and peace of the people of the State," and by reason of that fact, and that fact alone, was this legislation not approved—just simply held that it did not violate any express provision of the Constitution; and even that was held by a divided court.

The emergency that exists here to-day—although I am a country man and not versed in city affairs—exists by reason of a great fact, and that fact is that this Capital is too small for the exigencies of a great Nation; and this emergency, if an emergency exists here to-day, will continue to exist until the city of Washington reaches some proportion to the size of the United States as a Capital should to a country of that size.

You take the capital of the British Empire, London: Millions of people are there. The capital of the German Empire is Berlin, with more than a million people. The capital of France is Paris, with over two million. And the Argentine Republic, even Buenos Aires, has over a million. There is no country in the world one-third the size of the United States which has a capital as small as this.

Of course, there is a growth going on in Washington, and it is going to be so for 20 years; and if this rent act can be extended on that ground, then it can be rightly extended every year or two, whenever it runs out, for years to come, because Washington is bound to grow.

The facilities of transportation are so great that the people just pour in here to see the city. The sightseers throng into the Capital which formerly could not get in here very well.

The demands are for a greater Capital, and this bill will simply retard the growth of the city of Washington. If it has any effect at all it will be a deleterious effect.

I will admit the same emergency exists whenever the law of demand increases above the law of supply; for instance, last year there was such a slight demand for wool in this country that, although it is a very useful article, there was no market for it at all. But that should not and could not be helped by this legislation. And if this is the kind of an emergency meant by the Supreme Court, then you must take the position that whenever the law of demand greatly exceeds the law of supply that there is an emergency to be created by legislation. That is not within the meaning of the opinion, and I feel like I can say this—

Mr. HAMMER (Interposing). Do you not think that under the principle of the police power there is a right to regulate?

Mr. GILBERT. In my opinion the police power can only be invoked, as suggested by the Supreme Court in this very case, when an emergency such as a war or some great famine or public calamity renders the situation deleterious to the health and morals of the people. It went on to say that the people were so crowded that it was affecting their morals, and they came with it as an emergency measure. The only emergency that exists now that can possibly be said to exist—you must remember we are nearly four years after the war—is such an emergency as exists whenever the demand is greater than the supply.

So, although I voted for it before, I am opposed to it now as unwise, and all of the evidence introduced by these gentlemen would not have the slightest effect upon me.

Mr. KELLER. Your opinion is sound in many ways. You state that you voted for it before, because you felt there was an emergency?

Mr. GILBERT. Yes.

Mr. KELLER. And now you feel that the law of supply and demand ought to be permitted to act?

Mr. GILBERT. Yes, sir.

Mr. KELLER. And that in your judgment this Ball Rent Act stops building?

Mr. GILBERT. To the extent it applies it is bound to.

Mr. HAMMER. Do you not favor the control of monopolies, trusts, and combines?

Mr. GILBERT. I have always favored the control of them.

Mr. HAMMER. Does not the nature of the situation here warrant the application of that same principle? Do you not think there is an understanding here and agreement among these property owners to raise rents and to keep them up? If not, why was it that the price of business houses advanced so much when we extended it seven months?

Mr. GILBERT. It can never be a local monopoly. I am in favor of the regulation of the packers because they control the food products of the whole United States; I favor the control of the railroads because they control the whole United States. But I do not care how many real estate men and how many contractors and builders unite in the city of Washington, they can not control, because in Baltimore, Louisville, Pittsburgh, all around, there are thousands of people who have money to invest. Contractors can put it in houses, and if they can make more money in their investment in Washington than they can in Baltimore, Pittsburgh, Philadelphia, New York, Savannah, or anywhere else in the United States they can come in here and build houses. It is not true of the packing industry, it is not true of the railroads, and it is not true of other concerns that we regulate by legislation.

Mr. KELLER. We may differ on the question as to whether it is necessary to continue this act. But is not the condition to-day just as acute as it was two years ago?

Mr. GILBERT. I told you why it was, and it is going to be as acute until the city of Washington grows to meet the demands of the Nation—the greatest Nation in the world.

Mr. KELLER. You say it stops building. If you will go all over this District of Columbia, especially in the section where I live, you will see that they are building dozens and dozens of apartment houses right now.

Mr. GILBERT. I say it affects it to the extent that it applies. I do not know to what extent it does apply, but it is some brake upon it; for instance, a capitalist in my big city, Louisville, we will say, has got a lot of capital to invest. He, as a rule, invests it in houses to accommodate people with living quarters and things of that kind. Here is Washington, here is Baltimore, we will say, both

of them under equal conditions. Washington has a rent law and Baltimore has not. All other things being equal, he will select Baltimore in preference to Washington, naturally, because in Baltimore he can fix the price of his own building and in Washington somebody else fixes it for him. I do not know to what extent it has retarded building, but it has retarded it necessary to the extent it has applied.

Mr. HAMMER. Has not that same principle applied to railroads retarded the building of railroads?

Mr. GILBERT. There would be no reason for legislating about railroads if it were not for the fact that railroads have control absolutely in their hands, not over limited territory like Washington, with all respect to the city of Washington, which is a great and beautiful city—it is a mere speck; the railroads control the whole United States.

Mr. REED. And have the right of eminent domain.

Mr. GILBERT. Yes; and have many other rights that the landlord has not. I have no brief for the landlord. I feel, although I perhaps failed to say it, that they are reaping partly the result of their own folly. But it is very unwise for us to attempt to retard the growth of the city of Washington and set a false precedent by this unwise legislation.

Just to illustrate: Most of you gentlemen are lawyers. You can not afford, as a judge, to set an unwise precedent, even though you do a benefit in that particular case. The whole jurisprudence of Kentucky was almost disrupted by the wisest and best judge that Kentucky ever had, and that is Supreme Court Chief Justice Pryor, of Kentucky. He was wise in that he saw a situation, and he had such a big heart that he would decide every case according to the justice and wisdom of that particular situation regardless of the precedent he set; and after he had been judge 8 or 10 years nobody in Kentucky knew what the law was on any proposition.

This act has not a parallel, so far as I can find—and I have made some investigation—although it might do a temporary benefit to Washington—which I do not believe—in legislation so far as I can learn anywhere.

Mr. HAMMER. Mr. Gilbert, since I have been in Washington I have occupied a room in one of the hotels here and another Member of Congress has occupied quarters right beside me. Before the war the same price was paid for our board and lodging that we pay now for rooms without board, a hundred per cent more than before the war. It is the same building, without improvements, and nothing has been done except whitewash and calcimine and putting on of some paper, perhaps. It is true, they may pay the servants a little more, but not sufficient to justify such an increase as that. That situation exists all over the city.

Mr. GILBERT. That would not influence me voting against this bill. You go and investigate and you will find plenty of room for making corrections on either side, whichever side you take, whether the tenant or the landlord's side.

Mr. HAMMER. There have been some discrepancies pointed out by these gentlemen, but nothing as bad as this I have pointed out, and they are not to be compared with the increases as compared with before the war.

Mr. GILBERT. Whenever there is an emergency created by unusual situation such as provoked this legislation, I have supported it. I supported this measure the last time, but you can not extend to the terms of an emergency such a natural condition as arises every day from the uprising and falling down of the law of supply and demand.

Mr. KELLER. It is just a matter of opinion with you whether the conditions are the same at the present time as they were a year ago. If the conditions could be proven to be the same, you would vote for the bill, would you not?

Mr. GILBERT. No; I would not, because the conditions were created by unusual circumstances.

Mr. KELLER. Supposing that condition now exists?

Mr. GILBERT. Cite it. What is it; what causes it? Is it a war? The war has been over four years. Is there a disarmament conference coming here, a world's gathering, or what is it? It is just simply the fact, if there is this condition, that there are more people wanting houses than there are people to furnish houses. That is just simply what occurs on the wheat market, the cattle market, the hide market, and the market of other commodities; and the Rent Commission can not and will not correct that, and no commission you can get will correct it.

Mr. MILLSPAUGH. It is now half past twelve, and I move that we adjourn to meet to-morrow morning. I am making that motion in view of the fact that these exercises will be held this afternoon.

The CHAIRMAN. Would it be the sense of the committee that we request the Rent Commissioners to be here and explain?

Mr. KELLER. I would suggest that we hear both sides.

Mr. HAMMER. I am, however, in favor of letting these gentlemen get through with their statements.

The CHAIRMAN. There will be opportunity given for those opposing the bill to conclude their argument; and then we will give opportunity for the examination of the commissioners.

The committee will now stand adjourned until to-morrow morning at 10.30 o'clock.

(Thereupon, at 12.25 o'clock p. m., the committee adjourned to meet to-morrow, Friday, April 28, 1922, at 10.30 o'clock a. m.)

COMMITTEE ON THE DISTRICT OF COLUMBIA,  
HOUSE OF REPRESENTATIVES,  
Friday, April 28, 1922.

The committee met at 10.30 o'clock a. m., Hon. Benjamin K. Focht (chairman) presiding.

The CHAIRMAN. The committee will please come to order.

The Chair finds that on account of the presence in the Capitol of many members of the National League of Women Voters, who have requested the presence of their various representatives here to meet them at 11 o'clock, and, really, in the absence of a quorum, we will have to postpone this meeting until this afternoon. While we are very much disappointed and are sorry to discommode so many of you from the city, we will, nevertheless, be obliged, for the reasons I have stated, to postpone further consideration of this bill until 2 o'clock this afternoon, at which time we will be glad to have all of you present. I hope the rent commissioners will return at that time without further notice. I think there will be no objection on the part of any member of the committee to proceed at 2 o'clock this afternoon, even though the House may be in session at that time. We will devote all the afternoon to the hearings, and I hope we will be able to wind the matter up to the satisfaction of both the owners of apartment houses and of those in the hotel business, and, let us say, also, to the satisfaction of the people who have to pay the rents.

The committee will stand adjourned until 2 o'clock this afternoon.

(Thereupon, the committee adjourned until 2 o'clock p. m., this date.)

AFTER RECESS.

The committee met, pursuant to adjournment, at 2 o'clock p. m., Hon. Benjamin K. Focht (chairman) presiding.

The CHAIRMAN. The committee will please come to order.

**ADDITIONAL STATEMENT OF MR. WILLIAM E. HUMPHREY.**

Mr. HUMPHREY. On yesterday the chairman asked me about the income from the property, and I said then that I was not posted in regard to it. I have that information now in the form of a table, and I ask leave to submit it to the committee.

The CHAIRMAN. Without objection, it will be filed as a part of the record.

(The statement referred to is as follows:)

*Theoretical statement of a rental year under schedule as fixed by Rent Commission, in re 2400 Sixteenth Street.*

Total rents of apartments, servants' rooms, lockers, and offices----	\$244,590.00
Rent of garage-----	18,000.00
	262,590.00
Sale of electricity, ice, etc., on basis of auditor's report for year ending September 30, 1921-----	9,638.19
Receipts from ballroom, on basis of auditor's report for year ending September 30, 1921-----	9,075.00
	281,303.19

# 24 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

Operating expenses, on basis of auditor's report for year ending September 30, 1921-----	\$126,371.54	
Depreciation on building and equipment, at 2½ per cent-----	56,250.00	
Depreciation on furniture and fixtures, at 10 per cent-----	6,223.14	
		\$188,844.68
		92,458.51
Deduct an allowance for services of owners in operating plant, and contingencies, such as vacancies, loss of rent, etc-----		20,000.00
		72,458.51
Deduct fictitious rents allowed by commission-----		1,560.00
Net income-----		70,898.51
Per cent net on a valuation of \$2,500,000-----		2.83
Per cent net on a valuation of \$2,000,000-----		3.54
Per cent net on a valuation of \$1,750,000-----		4.05
Per cent net on actual cost of \$1,369,073.32-----		5.17

Mr. ZIHLMAN. What does that paper show?

Mr. HUMPHREY. That is a statement showing the income.

Mr. ZIHLMAN. What is the amount, or what is the percentage of income?

Mr. HUMPHREY. On the basis of a valuation of \$2,500,000, it is 2.83 per cent; on a valuation of \$2,000,000, it is 3.54 per cent; upon a valuation of \$1,750,000, it is 4.05 per cent; and on the actual cost is 5.17 per cent.

The uncontroverted evidence of present fair value at the hearing was highest at \$2,500,000 and lowest at \$1,750,000. In the above table we have, therefore, used \$2,000,000 as a conservative valuation. The witness who testified that the property was worth \$1,750,000 subsequently offered \$1,800,000 for it, which was refused by the owners.

The CHAIRMAN. Acting under the instructions of the Committee on the District of Columbia, the chair has requested the rent commissioners of the District of Columbia to appear this afternoon. They were to have appeared this morning, but on account of the postponement of the committee meeting they were requested to return this afternoon. Mr. Sinclair is the chairman of that board and if he will present himself the committee will hear his statement.

Mr. SPROUL. Mr. Chairman, when we adjourned yesterday, the agreement was that we would hear the landlords first and the commissioners afterwards. That was the proposition yesterday, and I, for one, want to go ahead in the way we started.

The CHAIRMAN. My only thought about hearing the commissioners this afternoon was this: The statement has been made here that their office is so badly congested that they can get only a small percentage of their work done, and, for that reason, I did not want to detain them here any longer than was absolutely necessary.

Mr. SPROUL. They found time to appear before the Senate committee, and I think they should come here at the time agreed upon, after the landlords and tenants have been heard.

Mr. MILLSPAUGH. Will the gentleman yield?

Mr. SPROUL. I for one want to follow the rules that were laid down yesterday, and it was understood that we would hear the landlords and tenants first.

Mr. MILLSPAUGH. Will the gentleman yield?

Mr. SPROUL. Yes.

Mr. MILLSPAUGH. I would like to ask that the Rent Commissioners be heard at this time. Charges have been made against them, especially in connection with the Meridian Apartment House case, and I would like to have the commissioners heard on that matter.

Mr. SPROUL. They will have plenty of opportunity to answer that.

Mr. MILLSPAUGH. That is true, but they have been called here, and I would like to have them heard now.

Mr. SPROUL. I, too, propose that we shall hear them, but I want to see the rules and regulations laid down yesterday complied with.

Mr. MILLSPAUGH. I would like very much to have the commissioners heard now.

Mr. SPROUL. I do not want to hold up the hearings. If I did, I would raise the point of order that I did yesterday, that there is no quorum present. If we go ahead and follow out the rules laid down on yesterday, I will not do that.

Mr. HAMMER. Mr. Chairman, I made the motion yesterday to hear the complainants first, and it is the usual course of procedure to have the complainants present their case and then to let the other side be heard, but, unless there is some objection on the part of the other side, in order to meet the convenience of these commissioners, who are very busy, I hope the gentleman will withdraw his objection to hearing them now.

Mr. SPROUL. There are landlords and tenants present waiting to be heard, and they are not drawing any salary while waiting.

Mr. HAMMER. If there is no objection on their part, we might depart from this rule that was adopted, or we could do it by consent. It is customary, of course, to have presented one side of a case at a time, and then have the rejoinders. I made that suggestion yesterday myself, but at the time I did not think of the fact that these officials were very busy. There have been some serious charges made against them, and the sooner they have an opportunity to answer them the better.

Mr. MILLSPAUGH. May I say, for the benefit of the gentlemen of the committee—

Mr. SPROUL (interposing). You are simply wasting time, because I am not going to withdraw my objection.

Mr. MILLSPAUGH. Let me say that some witnesses that I had hoped to have present this afternoon are not here because the committee asked the rent commissioners to come down to-day. I should like to have the rent commissioners heard at this time.

Mr. SPROUL. I like to comply with my friends requests, but I will not do it this time.

The CHAIRMAN. The gentleman insists upon the regular order of business, and the understanding, I believe, was that we would proceed to hear any complainants or complaining tenants first, next the landlords, and then the commissioners. The understanding is a matter of record. Therefore, if there are any persons present who wish to offer any complaints about the administration of the law itself, let them step forward and be heard.

Mr. MILLSPAUGH. I dislike to take a position at all antagonistic to my friend from Illinois, but inasmuch as the people whom I expected to be here are not here—and they are not here because I told them that there was no necessity for them to come, as the rent commissioners would be heard this afternoon—I am again going to appeal to him to withdraw his objection for the present, at least.

Mr. SPROUL. I would like to ask the gentleman if there are any complainants present who want to be heard at this time?

Mr. MILLSPAUGH. There are some that want to be heard. Let us tackle this thing in its natural sequence or natural order.

Mr. SPROUL. Not at this point.

The CHAIRMAN. If the gentleman insists upon his objection, we must adhere to the order of business agreed upon.

Mr. HAMMER. It does not appear that there are any landlords or tenants who desire to go on.

The CHAIRMAN. Some of them held up their hands, indicating a desire to be heard.

#### TESTIMONY OF MR. DAVID B. KARRICK, WASHINGTON, D. C.

(The witness was duly sworn by the chairman.)

Mr. KARRICK. The reason I ask to be heard, Mr. Chairman, is simply because I was down here yesterday and heard a number of questions asked by members of the committee which were not answered. The witnesses who appeared said that they did not know. One question that a member was asked was about interest. Somebody wanted to know about the rate of interest on buildings in the District of Columbia.

Mr. HAMMER. How much time do you want to occupy?

Mr. KARRICK. Whatever time you allow me.

Mr. HAMMER. We would like to know now. Can you give some idea of it?

Mr. KARRICK. Ten minutes, at least. However, you can stop me if I go on too long.

The CHAIRMAN. We do not want to stop anybody.

Mr. KARRICK. I will do the best I can. The question was as to the rate of interest paid by apartment house owners, and that is the point I want to cover. The rate is 7 per cent, and with the commission that has to be paid, it is practically  $7\frac{1}{2}$  per cent. I happen to be familiar with the Monmouth Hotel case, because my father owns it. There has been a lot of notoriety and publicity about that building. The first mortgage on that building was \$140,000, and the second mortgage was for \$40,000. The first mortgage came due last year, and the capitalists who controlled it insisted that the rate of interest be raised from 6 per cent to 7 per cent. They also insisted that there be paid \$10,000 in cash. They were not willing to accept the matter on any other basis. It was only after a hard struggle that my father was able to avoid paying a commission as well as the interest. They tried to make him pay a commission. In addition, the taxes on the Monmouth have gone up, because, while you gentlemen have reduced the rate of taxation, the assessments have been increased, so that the actual tax paid on the building is higher.

I want to get at the fundamental principles of this matter of rent legislation. I want to get that side of it in the record, because, apparently, that is something that has not yet been brought out. I want to take up the point that the Chairman made yesterday about the fundamentals of rent legislation. As to allowing a reasonable return on the investment, I want to submit that that is wrong in theory from certain points of view. It is wrong both with reference to the original cost of the building and with reference to the cost of operation in many cases. Suppose a man builds a building at a cost of \$75,000; suppose he is a man who has had a great deal of experience in building, and has spent his lifetime learning how to build, and knows how to save money in putting up the structure and does save money. Now, suppose another man builds the identical building at a cost of \$100,000. The buildings may be identical, but the man who knows how to build will build it for less than the other man. Now, should all of that building knowledge be wasted, or should that man lose the benefit of what he has acquired, or the knowledge and experience that he has acquired in his work? If you allow him a reasonable return on his investment it seems to me that that is what will happen, and you will be putting a premium upon extravagance and inefficiency. You will be putting economy and efficiency at a discount and putting knowledge of real estate values at a discount.

Suppose a man invests \$50,000 in real estate. We will suppose that he finds a desirable corner for retail store purposes or for dwelling house purposes; we will suppose that it is a fashionable corner and has attractive features about it. This man invests in that real estate and remodels the building, we will say, so that his investment stands at a certain figure, and he is to be allowed a reasonable return on his investment. Now, suppose another man with the same amount of money, but with no knowledge and no experience goes out and invests his money, or invests the same amount of capital in real estate, but buys a bad corner and uses bad judgment throughout the transaction; suppose he shows a lack of intelligence and remodels his building in a wasteful way. If he is to get the same return on the amount of money that he puts in his real estate investment, or this reasonable return, you will be putting a premium on inefficiency, lack of intelligence, and on extravagance, and you will be putting economy and efficiency at a discount.

Mr. KELLER. You are talking against the bill, and not against the commission.

Mr. KARRICK. I am talking about the bill. I have nothing to say about the commission.

Mr. KELLER. So far the testimony offered has been against the commissioners.

Mr. KARRICK. I am talking about the bill.

Mr. REED. We are considering the bill.

Mr. KARRICK. Now, with reference to the operation of a building, suppose a property owner, or the owner of a large apartment house, buys his coal by the carload; suppose he buys it at the mouth of the mine, and has it shipped down here in carload lots and does his own drayage from the freight station to the building; we will suppose that he buys it in that way \$2 per ton less than he could buy it by going to the most extravagant place in town for it. Now, is he to receive no credit for his enterprise or for the trouble that he takes? Is he simply to receive a reasonable return on his investment, and shall the economy and efficiency practiced by him be wasted? Shall he receive no benefit whatever from that? The principle of a reasonable return on the original investment is also wrong in law, and I will pass around to you copies of the decision of the Court of Appeals on that subject.

The CHAIRMAN. Without objection, it may be inserted in the record.

Mr. KARRICK. On the third page, I have checked two paragraphs.

Mr. HAMMER. Do I understand that this decision of the Court of Appeals is to go into the record; the decision having been overruled by the Supreme Court.

Mr. KARRICK. It has not been to the Supreme Court.

Mr. HAMMER. This is not the one that went to the Supreme Court?

Mr. KARRICK. No, sir; this stands to-day as the law until it is reversed or modified by some other court.

The CHAIRMAN. Has this decision been incorporated in the Senate hearings?

Mr. KARRICK. No, sir; not that I have any knowledge of. I did not present it for the Senate hearings.

The CHAIRMAN. If it is in the Senate hearings, we will not be justified in going to the expense of incorporating it in these hearings.

Mr. KARRICK. It is at the committee's disposal.

The CHAIRMAN. We will see whether it is in the Senate's hearings.

Mr. KARRICK. Now, the court of appeals states that the basis for the fixing of rates must be the fair value of the property in use at the time the valuation is made. In other words, it is to be based upon the reproduction cost of the property, and not upon the original investment. Real estate values do not remain permanently the same for all time. A man's taxes go up, and the value of his property goes up. He is entitled to a return based upon the value of his property, and not upon what the original investment was. That is the law. That is the law as laid down by the Supreme Court of the United States. I presume that most of you gentlemen are lawyers, and you know that. That is the law, and Congress has expressly stated it to be the principle to be observed in this country. In attempting to value the railroads of the country, a work that was just recently completed at a cost of \$25,000,000, that is the principle that was followed. The railroads are not being valued at what it cost to build them, but they took their cost as of to-day.

Mr. MILLSPAUGH. As I understand it, they took an average for 10 years.

Mr. KARRICK. They were at work on it for 10 years.

Mr. MILLSPAUGH. They took the average cost over a period of 10 years.

Mr. KARRICK. Now, I am not saying anything against the commission, or the members of the commission, but I am speaking about the principle involved, and there are certain principles in this bill which are vicious. I want to give a specific instance of that: We have a man in Fontanet Courts, and he has been there for some years, paying a certain rate of rent. The man raised no objection to the rent, and we have not attempted to raise his rent. Apparently both parties were satisfied, or both parties were satisfied, so far as we knew, until he became unable to pay his rent, or, at any rate, he did not pay his rent. We told him that he would have to pay his rent, and he said that he would not pay it. He went down to the Rent Commission with it. The Rent Commission have a printed form on which to file complaints of that sort, and all that a man has to do practically is to sign his name. Now, if we contest the matter, we must go down there with counsel and probably with a reporter and defend the case. This man knows that; he knows that it will be cheaper to allow him to live in the building without paying rent, as a practical matter, than to contest the matter before the commission. That would be true, even if we won. I am not saying anything against the commission, and I do not know that they would decide against us. In fact, I think they would decide for us.

Mr. MILLSPAUGH. How long would it take you to have a hearing of the matter?

Mr. KARRICK. I do not know how long it would take, but I presume, from what I have heard, that it would take several months.

Mr. MILLSPAUGH. What would be the status of the case in the meantime?

Mr. KARRICK. The man in the meantime would pay no rent. Then he would move out. In almost every case those men would be execution proof, and if you went to the highest court in the land and obtained a judgment, you would have nothing.

Mr. MILLSPAUGH. Is not that practically the way it does work out?

Mr. KARRICK. That is the way it is working in the case of that man now.

The CHAIRMAN. This case was brought before us in an unofficial way, and it was stated here that you failed to furnish the things that go with rented rooms, such as heat, light, etc. It was stated that you nearly froze them to death. That is the way this case you have referred to was reported to us.

Mr. KARRICK. I was talking about a different building at the moment, but I will tell you about the Monmouth. The Monmouth was constructed simultane-



ously with the war. I was in France at the time the Monmouth was built, but I know something about it. Speaking specifically, and there is no use in speaking in general terms, the very great objection to it is the fact that the radiators were second-hand. Now, why was that? It was because the National Radiator Co., that had the contract for furnishing the radiators for this building, would not fulfill their contract. They refused to fulfill it, and Mr. Karrick had to buy second-hand radiators. He paid more per foot for the second-hand radiators than he had contracted to pay for the new radiators to be obtained from the National Radiator Co.

The CHAIRMAN. Has he brought suit against the National Radiator Co.?

Mr. KARRICK. No, sir; he has not brought suit against them because they have no representative in Washington upon whom we could get service of the papers. That would mean suing them in the State court of New York, because people of the District of Columbia have no right to go into the Federal courts. For that reason it was not considered wise to attempt to bring an action against them. The Washington Gas Light Co. notified us that they would cancel the order for stoves, and they had to buy more stoves. The elevator company canceled the order for the elevator, and they had to take what they could get. It was not a question of price, but it was a question of taking what was obtainable. In the meantime, the War Department, the Navy Department, and the Red Cross were begging them to get the building finished so that they could move into it. In fact, the Navy Department commandeered the building and then turned it back. The heating plant in the Monmouth is the Spencer Heating System, and it is the most up-to-date heating system known. It is the vapor heating system. The War Risk Building uses it, and that is the largest office building of the Government here. That is the system used in that building, if I am not mistaken. These people filed a complaint with the Rent Commission, alleging that those things were not furnished. There was ground for complaint, but the grounds for complaint were exaggerated before the commission. I know that for this reason, that many of the tenants when they went back to the building were calling up one another and laughing over what they had said and about what they had put over on the commission. That is something the commission does not know, but I do.

Mr. Karrick has lost on the Monmouth, as it stands to-day, about \$9,000 in cash as a result of the decision of the commission. The Court of Appeals has reversed that decision, and says that the rates fixed were confiscatory, but the loss is not recoverable for the reason that many of them pursued the same method that is pursued by those tenants who do not pay rent—that is, they move out. I want to add that the Monmouth case is up for hearing again. On the order of the Court of Appeals, it is to be reheard. About 80 per cent of the tenants of the Monmouth have signed a statement saying that they are satisfied with the rent and the conditions, and have asked to have the matter dismissed. Some of them will not sign, and we do not expect them to sign. If I start to talking about the Monmouth, it will take a longer time than I intended to take. One of the complaints was on account of hot water, the complaint being that they did not have enough hot water, and on Sunday morning none at all. Why was that? The hot-water appliances put in the Monmouth were twice the size estimated to be required for the number of people in the building, but the number of occupants of the building was double the number that the building was planned for, owing to the crowded conditions. In order to meet that condition, a hot-water system was put in there that was four times as large as that estimated to be necessary for heating the building. I do not know whether there is enough hot water in there now, or not, but we have not neglected it. I believe the heating plant has been corrected so that it will be all right. I believe the elevator situation has been remedied. I do not mean to say that the Monmouth is a perfect building. A building built at that time could not be made perfect.

Mr. SPROUL. When was it built?

Mr. KARRICK. Simultaneously with the prosecution of the war. During that time the Government was constructing buildings very generally on the cost-plus 10 per cent profit plan, and if we were paying a man \$6 per day, the Government would offer him \$8, \$10, or \$12, because the more they paid, the bigger their profits would be. We had to pay the money out of our own pockets, and you gentlemen know that we did not get good labor even at that price, because the men did not work. It took three times as long to build the Monmouth as it should have taken and it cost twice as much as it was expected to cost. The Monmouth was built under circumstances that made it an unsatisfactory build-

ing and unsatisfactory as an investment. At the same time, that is no reason for persecuting the thing indefinitely.

Mr. SPROUL. And that is no reason for making the tenants pay for the losses on the building, is it? If you lost money on the building, and it cost you three times more than you had calculated, because it was not properly handled, that is not a good reason for making the tenants pay for it.

Mr. KARRICK. I do not believe that anybody else could have built the Monmouth for what it was built for. Do you mean that the Monmouth cost us more than it would have cost anybody else?

Mr. SPROUL. I am taking your own statement.

Mr. KARRICK. The point is this, that the Monmouth was planned before war was declared. The plans were drawn and the cost of the building was fixed at that time, or estimated at that time, and I am saying that during the course of the war prices went up.

Mr. SPROUL. We understand that, but that is no reason why you should make the tenants pay more than they should pay.

Mr. KARRICK. It is contended that the cost of building has gone down since then, so that the Monmouth is not worth what it cost, but I contend it has not gone down to the extent claimed. It would cost 50 cents per cubic foot.

Mr. SPROUL. Do you think the property is worth as much now as when it was built?

Mr. KARRICK. Yes, sir.

Mr. HAMMER. It is in a good location.

Mr. KARRICK. Yes, sir. The occupants save car fare. It saves car fare and annoyance.

Mr. REED. Where is it located?

Mr. KARRICK. On G Street, between Eighteenth and Nineteenth Streets. I have come down here to talk about the rent law, and you have asked me about the Monmouth.

The CHAIRMAN. You said a moment ago that the tenants were laughing because they went down there and "kidded" the commission, and because they fell for it.

Mr. KARRICK. No, sir.

The CHAIRMAN. Did you not say that they went down there and had fun with the commission, and "kidded" them along, and then laughed about it?

Mr. KARRICK. No, sir; that is not the point I made. I do not know that Mr. Sinclair believed anything that they said, but what I meant to say was that they called one another after they got back to the building and said that they had exaggerated the conditions down there. Some of them said, "We went pretty strong down there."

Mrs. JOHN T. ERWIN. I would like to state that I am a tenant of the Monmouth Hotel, and I think it is due the tenants that Mr. Karrick should name the persons who claimed that they had "kidded" the commission. I was there, and I do not think there was any occupant of the building who would have been guilty of anything like that.

Mr. KARRICK. I will get the names.

Mr. MILLSAUGH. I will suggest this is not a hearing before the Rent Commission.

Mr. KARRICK. I am talking from memory only.

Mr. HAMMER. What is this, a case on trial before the commission?

Mr. KARRICK. It has been tried, reversed and it is up for trial again.

Mr. HAMMER. Is it not a little bit out of order for the committee to hear this without hearing both sides?

Mr. SPROUL. Mr. Chairman, we propose to hear the other side.

Mr. KARRICK. Yes; I should think you would.

The CHAIRMAN. Mr. Hammer, that case is set for hearing next Wednesday, and I think we ought not to draw the gentleman out in regard to it.

Mr. MILLSAUGH. He started to discuss the Fontanet and we brought him to the Monmouth.

Mr. SPROUL. Do you think we should pursue that further?

Mr. MILLSAUGH. No; I do not think so.

Mr. KARRICK. I am not able to talk about it as I should. I am not the proper man to ask these questions of, but I am willing to do it.

The CHAIRMAN. Proceed.

Mr. KARRICK. I am not holding any brief for landlords who raise rents. I think that as property increases in value a certain increase in rent is proper,

but I have no brief for landlords who raise rents unreasonably, and that is not the point I am trying to raise.

Mr. HAMMER. Is not that the very reason we should inconvenience ourselves in the consideration of this matter? People who want to be fair ought not to have such a law to protect that class of men who live here in Washington who do take an unfair advantage.

Mr. KARRICK. Let me finish. I will answer that question. I believe that a law that has that purpose in view will meet with very much wider approval than this one, which allows people to get into a building and live there a year or two, and then all of a sudden, with the written lease they have signed, go down to the commission and enter complaint, and say, "We want this rent reduced;" against their own written contract. That is the law I object to, which allows people to sign an agreement and then waltz on it.

Mr. HAMMER. I have a contract where a brick house with six rooms was priced at \$22, and then at \$20, and the tenant vacated, and the landlord made another contract with another tenant and charged \$125 a month.

Mr. KARRICK. I do not think the tenant should have gone into the house.

Mr. HAMMER. He had to do it because he could not get another place.

Mr. KARRICK. That is what the tenants said about the Monmouth. If that be true, then if Karrick had not built the Monmouth they would have been on the street. This has never been considered at all. If it is true that the people who rented apartments in the Monmouth would have been on the streets had Mr. Karrick not built it, they they should give some consideration to the man who built the Monmouth at the time it was built.

Mr. MILLSPAUGH. If some of these Senators who occupied three or four apartments had released some of them there would not have been that demand.

Mr. KARRICK. It might have helped. I want to say a word in regard to the proposition of the attitude of capital. I want to say just a word about that. I am speaking of knowledge, and I am in the position of one who has that point of view in mind. With Mr. Karrick we are in control now of a large sum of money. We did not get this out of real estate; we did not get it out of tenants. We got it out of other business we are in, from the Fidelity Storage Co. most of it. We have got the money in bank. We are prepared to build. We are going to be allowed a reasonable return on our investment, we are told. That is the language of the law. What is a reasonable return on our investment? Taking into consideration the risks of building, taking into consideration the losses by bad debts, taking into consideration suits that are brought, taking into consideration, expenses, insurance, operation, deficit and all those things, what is a reasonable return? I do not know what the commission considers a reasonable return, but I know we can lend this money on mortgages and get 7 and  $7\frac{1}{2}$  per cent without the danger. What are we going to be allowed as a reasonable return if we put it into a building? Our business is to build, and it has heretofore been to build apartment houses. But so long as this law is in force that money will not build any apartment houses. We have been taught one lesson which cost \$10,000.

I want to build and we all want to build, and we are able to do it and have the financial backing to build. What shall we do? Shall we put it out on mortgages paying 7 and  $7\frac{1}{2}$  per cent under conditions that involve no risk?

Mr. KELLER. Why do you not loan it to somebody who wants to build?

Mr. KARRICK. I can not find anybody; I have got to find somebody that I want to lend money to.

Mr. O'BRIEN. Then that will be a purely eleemosynary institution, primarily for the benefit of the people?

Mr. KARRICK. What would be?

Mr. O'BRIEN. That idea of yours, unselfishly putting it into a building rather than loaning it on mortgages which will bring you a return of 7 or  $7\frac{1}{2}$  per cent?

Mr. KARRICK. I am asking you. We are entitled to a reasonable return on this money.

The CHAIRMAN. Let me ask you a question and have you make that clear to the committee. What difference do you make in what you call a reasonable return between a property or apartment house that is kept in proper condition, properly heated, properly cleaned, telephone service and elevator service and all up to 100 per cent, as against one with no elevator service, indifference about the heat and cleanliness? Do you make any difference there in your statement?

Mr. KARRICK. I do not know what the reasonable return on either one of them would be.

The CHAIRMAN. The tenant would know the difference between the comfort and discomfort in either case, would he not?

Mr. MILLSPAUGH. Was the Rent Commission organized for the purpose of fixing a standard of service of an apartment house?

The CHAIRMAN. I should think that would enter very seriously into the cost of an apartment; it would with me.

Mr. MILLSPAUGH. If it is maintenance, it would; but if it is construction it would not.

The CHAIRMAN. Not construction. But he is talking about reasonable return, and I want to know whether he is talking about reasonable return on a first class or a fifth class place.

Mr. KARRICK. I want to know what the commission considers a reasonable return.

The CHAIRMAN. I suppose we will ask them when they get on the stand.

Mr. KARRICK. I have explained briefly and to the best of my ability why the conditions that obtained in the Monmouth existed. I know there was some difficulty about the place. We have lost money heavily on it. I do not hold any brief for not giving heat and not giving service in other particulars.

Mr. SPROUL. You do not criticize the tenants for kicking because they did not get it, do you?

Mr. KARRICK. No.

Mr. KELLER. You have no complaint against the law which regulates rents, and you probably admit there is a condition here where there ought to be some regulation, but you are opposed to some certain features of the bill?

Mr. KARRICK. This feature particularly where people can live in a building after signing an agreement to pay a certain amount of rent, and then come down to the commission and welsh and have it reduced. I am not opposing a regulation which prevents landlords from raising rents and putting people out of their homes. I think Congress ought to have enough ability to do that, because they are successfully doing it in New York and Massachusetts.

Mr. HAMMER. You do not oppose a reasonable rent law, properly drawn?

Mr. KARRICK. No; I do not.

Mr. O'BRIEN. The New York law sends a man to jail if he does not provide heat.

Mr. KARRICK. Then I am in favor of the New York law.

Mr. MILLSPAUGH. Let him go on and tell us about the Fontanet case. He started on that.

Mr. KARRICK. That man filed his complaint and had not paid rent, and he will pay no rent on it until the matter is decided by the commission. I do not know how the commission will decide it. The matter will reach them in due course.

Mr. REED. Do you have to carry him without getting any rent? If he is insolvent you will.

Mr. KARRICK. The commissioners are objecting to that statement. Theoretically, that is not the law. But I am telling you what will happen. We will file a notice to quit on that man. We will go down to the municipal court and we will be asked if this is pending before the Rent Commission. We will have to say it is, and then the court will refer to the Rent Commission and they will not act. Maybe they are supposed to act, but they do not do it. I know, because I have been down there.

The CHAIRMAN. Does any other gentleman wish to ask any questions?

Mr. KARRICK. I would like permission to correct my remarks.

The CHAIRMAN. You will make no change in your statement?

Mr. KARRICK. Only grammatical corrections.

The CHAIRMAN. Certainly; that will be accorded you.

Mr. KARRICK. I would like to make it clear that I am not appearing for the Monmouth. I am appearing on the principle of this bill, as outlined in my remarks. You have asked me about the Monmouth, which was built while I was overseas, and I have answered you to the best of my ability.

The CHAIRMAN. It has been the expressed opinion of landlords and capitalists that if we could put into effect the free law of supply and demand that it would meet every condition here. Do you believe that? They suggest having no commission whatever, but have it depend entirely on the ability to encourage and invite capital to come in.

Mr. KARRICK. That is a very difficult question to answer, and it requires a little thought before an answer should be attempted. I do believe you could

make the rent law function without a commission by making the permitted return not more than 15, 10, 8, 5, or 2½ per cent—whatever you want to make it.

The CHAIRMAN. There is a wide difference of opinion, because the tenants say it is hopeless and would be hopeless and that they would have to move out of town if they have no protection.

Mr. KARRICK. I want to say this about some tenants. They have a grievance if rents are raised to an unreasonable figure. But they are not in condition to judge what is a reasonable return on capital. The application of the law of supply and demand unquestionably will correct the condition in time if it is allowed to take its course. I am speaking of a man building apartment houses. We will not build one so long as the Rent Commission is going to fix the rents.

The CHAIRMAN. Why?

Mr. KARRICK. Because I am afraid, that is why. I am afraid I will not get my return on the money. I would rather put it in a mortgage that would pay 7 or 7½ per cent.

The CHAIRMAN. Why are you afraid of sworn officials of the United States doing justice to you and to your capital? What better chance have you with capital anywhere in a bank, trust company, or mortgage?

Mr. KARRICK. I can go to Atlantic City and places of that sort. Indeed, there are plenty of places where we are not going to arbitrarily have the rent fixed on our property by people who are strangers to us, people appointed by a President in the election of whom I have no vote, appointed to serve on a commission appointed by and with the consent of a Senate composed of Senators in whose election I have no vote.

Mr. O'BRIEN. If the mountain will not go to Mohammed, why not let Mohammed go to the mountain?

The CHAIRMAN. In other words, if we do not give it in Washington, let the capitalists move out.

Mr. KARRICK. That is what I assume they want us to do.

Mr. HAMMER. Is it not a fact that this city is becoming a mecca for rich men who want to avoid taxation.

Mr. KARRICK. I have lived here most of my life. I am not a rich man, so I do not know what they are coming for. I believe it is a point that there is no income tax in Washington except the Federal Government tax, and many States have a double income tax.

The CHAIRMAN. Referring to your statement awhile ago about having all that money locked up ready to invest. I think they are going to get you after a while when they get this bill passed.

Mr. KARRICK. About what?

The CHAIRMAN. Your income tax. Do not congratulate yourself too much. Congressmen pay tax on their salaries.

Mr. KARRICK. We pay an income tax, we pay a corporation tax to the Government, we pay taxes on property to the District and pay income tax—we pay four large taxes, running well into the thousands of dollars.

The CHAIRMAN. Yes; but what Mr. Hammer was speaking of is rich people coming here to avoid taxes on intangibles.

Mr. KARRICK. I have said a great deal more than I intended to. I am very appreciative of the time the committee has given me.

Mr. MILLSPAUGH. I am going to ask if the gentleman from Illinois [Mr. Sproul] will permit us to place the chairman of the commission on the stand. I would like to go into the Meridian Mansion affair, because I realize it is not quite proper to keep the rent commissioners here when they have other business to attend to.

Mr. KELLER. Are there any other property owners who want to be heard?

Mr. MILLSPAUGH. I have said I have some who are ready to come, but I told them not to come. There may be some here now, but he wants regular order.

Mr. HAMMER. I think that rents in the United States are higher than any other commodity, if you can call it a commodity now; in other words, that the statistics of the Department of Labor show that rents have gone up higher and are still at a higher level than anything else. In fact, rent increased throughout the United States last year, while labor and everything else decreased in value.

Mr. KARRICK. Rents in Washington did not go up in proportion to the price of foods, nor in proportion to the price of clothes, nor in proportion to many other things you buy, these being the two essentials.

Mr. SPROUL. Labor and building materials since 1916 have gone up 131 per cent. That I know, and I have the figures right down in my office to show it: materials have been reduced a little.

Mr. HAMMER. They are paying the same wages to mechanics in Washington now that they paid in 1919 and 1920?

Mr. KARRICK. That is correct.

Mr. MILLSPAUGH. How about the efficiency of it?

Mr. SPROUL. I think the efficiency is a little better now than in 1919 and 1920.

Mr. MILLSPAUGH. But it was very low in 1919.

Mr. HAMMER. Building is being done more rapidly, in proportion to the population, in Washington now than in any other city in the Union; is not that true?

Mr. KARRICK. I do not know, but I do not believe it.

Mr. HAMMER. Last year it was \$24,500,000 invested, and for the first three months of this year, 1922, it is \$7,092,544, which would be at the rate of about \$32,000,000 per year; 2,009 permits for building were granted the first three months of this year.

Mr. KARRICK. Let me call this to your attention—

Mr. HAMMER (interposing). And 62 per cent of this is apartment houses.

Mr. KARRICK. You are taking the value of the building. When an application is filed for a permit to build, something must be said about the approximate value of the cost of the building. With the question of a reasonable return on investment and with the Rent Commission fixing rents, can you see—

Mr. HAMMER (interposing). We are told in the newspapers here that there is no building in Washington, when it is a fact that there is more building in proportion to the population going on in Washington than in any other city in the Union.

Mr. MILLSPAUGH. Is not that building permits?

Mr. HAMMER. That is actual building.

Mr. SPROUL. Small houses?

Mr. HAMMER. Sixty-two per cent of \$24,500,000 would be a little over \$14,000,000 that are apartment houses.

Mr. KARRICK. I do believe that you could point out to me where 62 per cent of \$24,000,000, or \$14,000,000 of apartment houses were built last year. If they are here, I would like to know where they are—

Mr. HAMMER (interposing). Those are the figures.

Mr. KARRICK. I understand, but where are the apartment houses?

Mr. HAMMER. The Chastleton and the Hadleigh cost at least \$6,000,000 of the \$24,000,000. There is 25 per cent of the amount in those two buildings.

Mr. KELLER. How do the rents here compare with the rents in other cities?

Mr. KARRICK. That depends on the size of the city.

Mr. KELLER. I understand they are quite a little higher here.

Mr. KARRICK. I have only hearsay knowledge on that, but I think they are lower here than in other cities of the same size.

Mr. HAMMER. I have a statement from the building inspector's office, and if there is no objection I would like it to go into the record.

The CHAIRMAN. Without objection it will be inserted in the record. That is an editorial from what paper?

Mr. HAMMER. That is from the building commissioners' report.

(The statement referred to and submitted by Mr. Hammer is here printed in full, as follows:)

"But as to building operations in Washington, take a glance at the dollars and cents represented in building permits for the last eight years, and for the first three months of 1922:

1914	-----	\$9,544,303
1915	-----	8,599,932
1916	-----	13,495,535
1917	-----	15,613,075
1918	-----	10,164,457
1919	-----	10,520,866
1920	-----	22,659,452
1921	-----	24,500,000
1922 (first three months)	-----	7,092,544

"The nine best building months are yet to go on record, but for the first three months of this year the total permits granted stand for \$7,092,544 of building operations. Even at the same rate for the balance of the year the record would reach over \$28,000,000, we venture a prediction that it will exceed \$30,000,000.

"The strongest argument of some objectors to the Ball Act is that few, if any, houses are building for rental purposes; that practically all the construction is for sale; that the Ball Act stands in the way of operations which will help the needy, by construction of buildings for rent. If the unrestricted right to charge whatever a profiteering landlord desires for rental of his house or apartment is going to help needy tenants, then the tenants of Washington are benefited immensely by the present situation."

Mr. MILLSAUGH. I did not ask the commissioners to come here, but inasmuch as the committee has asked them and they have left their business to come down here, I think we ought to do them the courtesy to listen to them and not have them come here again to-morrow or Monday, as the case might be. We put them off this morning, and I am going to renew my request to the gentleman from Illinois to allow Mr. Sinclair to go on.

Mr. SPROUL. I am going to ask if there are any landlords or agents of landlords who care to be heard at this time.

The CHAIRMAN. If they are here and have anything to say this is the hour and the opportunity. If you have anything to say in defense of the rent system of Washington the committee stands ready to hear you.

Mr. MILLSAUGH. I want to reiterate my statement. It has been recognized, whether rightfully or wrongfully—

Mr. SPROUL. (Interposing). If there are no more landlords or agents here at the present time who want to be heard, I am perfectly willing that the Rent Commission should go on.

Mr. MILLSAUGH. That is all right, but I want to correct a misimpression. The impression seems to be conveyed that the landlords do not want to be heard because they are not here. I want to make this statement: I want to correct that impression that a call was made for landlords and that they did not appear. It was stated in the paper yesterday that I was leading this fight, whether rightfully or wrongfully, against the Rent Commission. I want to make this statement, after the Rent Commission was invited here to-day I told the landlords who had consulted with me that they would not be needed to-day, and that is the reason they are not here.

Mr. SPROUL. The gentleman from Missouri is wasting valuable time. I have withdrawn my objections, since there are no landlords or agents of landlords to be heard.

The CHAIRMAN. In order that these commissioners might be able to return to their work, the thought was that we would hear them on some definite thing here. I do not know that they are going to make any particular defense, excepting on one specific thing, and it will not take long; and after that we will give you ample time to be heard in favor of the bill.

#### **STATEMENT OF MR. A. LEFTWICH SINCLAIR, PRESIDENT OF RENT COMMISSION OF THE DISTRICT OF COLUMBIA.**

The CHAIRMAN. Does any member of the committee desire to ask Mr. Sinclair any questions?

Mr. MILLSAUGH. I would like to inquire somewhat of Mr. Sinclair, if the chairman please.

The charge was made before the committee yesterday that gross favoritism was shown by the commission in the fixing of rents in the Meridian Mansion, and I assume that the chairman has had knowledge of that and knows what the charges were?

Mr. SINCLAIR. Yes, sir.

Mr. MILLSAUGH. And I think it is well to hear the chairman of the commission to meet those charges.

Mr. SINCLAIR. I want to say at the outset that the charges made are wholly unjustified and wholly untrue. I want to state—

Mr. HUMPHREY. I have the charges that were made here yesterday, and I am glad to give you a copy in order that there may not be any misunderstanding about what they were.

Mr. SINCLAIR. I have reduced to writing a statement as to how the Rent Commission happened to fix the rent for the Meridian Mansion. [Reading:]

"The investigation by the Rent Commission resulting in the fixing of a schedule of rents for the Meridian Mansions, No. 2400 Sixteenth Street NW., arose as follows:

"Five written complaints were filed with the Rent Commission by Kennedy Bros., a corporation, as the owner of this apartment house, against Senators

Jones, Walsh, Kendrick, and Harris, and former Senator Thomas, tenants, wherein the Rent Commission was asked to increase the rents for the apartments occupied by said tenants. About the time these five complaints were filed by the owner, two written complaints were filed with the Rent Commission against the owner by Senator Culbertson and Chief Justice Smyth, of the Court of Appeals of the District of Columbia, asking the Rent Commission to reduce the rents for the apartments occupied by them.

"The Rent Commission realized that in fixing the rents upon the complaints filed it would have to inquire into and determine the fair and reasonable value of the entire apartment house and the cost of operating it, as fully as would be necessary in order to fix all of the rents in the apartment house, so it decided to and did fix a complete schedule of rents for the apartment house. In doing this the Rent Commission, it is believed, consumed very little more time than would have been consumed by it in fixing the rents for the apartments involved in the seven complaints above mentioned. The Rent Commission feels that it saved time by this procedure, and that it should be commended for it, rather than condemned. It is safe to assume that, if the Rent Commission had fixed the rents for the apartments covered by the seven complaints only, other complaints would have been filed with it from time to time by other tenants in the apartment house, necessitating further hearings and taking up time of the Rent Commission which might be devoted to other cases."

That is how the Rent Commission got into the Meridan Mansions.

Mr. MILLSPAUGH. Did anyone appear before the Rent Commission—any of the tenants in the Meridan Mansions?

Mr. SINCLAIR. Yes, sir; a number of tenants appeared, and we received a number of letters from tenants who did not appear.

Mr. MILLSPAUGH. You do not go on that, do you, Mr. Sinclair?

Mr. SINCLAIR. I say we went on the complaints filed by the corporation, the owner of the property.

Mr. MILLSPAUGH. What date was that, Mr. Sinclair?

Mr. SINCLAIR. Well, a few months before we set this case down for hearing.

Mr. MILLSPAUGH. I would like to know about when they filed that. I am not trying to trap you, but I want to know the length of time that elapsed between the time that the complaint was brought by the owners and the time of the hearing.

Mr. SINCLAIR. I would not undertake to tell you that. The determination was filed on the 30th of December, and the hearings and the inspection of the building—the building was offered in evidence by the owners, and we made a thorough inspection of it and spent a whole day up there, under the guidance of six or eight guides furnished by the owner.

I have no idea exactly when the complaints were filed, but the fact is that those seven complaints were on file and we saw that it would be a big proposition to fix the rents for those apartments only, and in order to save time we took up the entire building and we sent out notices to the owner and to the tenants—the owner gave us a list of the tenants, and we served notices on everybody, stating that we had decided to fix the schedule of rates and charges, in the language of the statute, for this apartment house.

Mr. KELLER. The property owner is the man who asked for the investigation?

Mr. SINCLAIR. The property owner filed five complaints against these Senators asking us to increase their rents, and we did increase the rents of all of them, although we did not fix the rents as high as the property owner claimed they should have been fixed.

Mr. MILLSPAUGH. Did not Justice Smyth file the first complaint?

Mr. SINCLAIR. I can not tell you.

Mr. MILLSPAUGH. Did the commission follow this same theory in fixing the rent for other apartments, where one, two, three, or four occupants have made complaint—that is, did the commission take up the entire apartment house and fix the rent for them?

Mr. SINCLAIR. We have been wanting to do it.

Mr. MILLSPAUGH. I am not asking you that. I said did you do it?

Mr. SINCLAIR. Yes, sir.

Mr. MILLSPAUGH. Name them, please.

Mr. SINCLAIR. A similar procedure was followed in the case of the Princeton, the Savoy, the Glendower, and the Moulton apartment houses.

Mr. MILLSPAUGH. How big an apartment house is the Princeton?

Mr. SINCLAIR. That is an apartment house that has about 16 apartments in it.

Mr. MILLSPAUGH. You did not do that with the Fontanet Courts, did you?



Mr. SINCLAIR. No, sir.

Mr. MILLSPAUGH. You did not do it in the case of the Falkstone?

Mr. SINCLAIR. We have not fixed any rents in the Falkstone. Let me explain in reference to the Fontanet Courts: We fixed the rents in the Fontanet Courts before the constitutionality of this rent law had been upheld, and we were unable at that time to obtain from the owners of apartment houses the data and information which the rent statute requires the commission to call for, upon which the rents might be based. Therefore we had to confine ourselves to the fixing of the rents on the complaints filed by the tenants in the Fontanet Courts.

Mr. MILLSPAUGH. How did that not happen to apply to the Meridian Mansion?

Mr. SINCLAIR. You see, the owner of the Meridian Mansion—that case was taken up after the Supreme Court upheld the constitutionality of this law, and the owner of the apartment house complied with our order to produce the data and information which was necessary, and we received it. We obtained the names of all the tenants from him.

Mr. MILLSPAUGH. The fellow then who complied with your orders was really made the goat?

Mr. SINCLAIR. There were no goats made. My dear sir, if any mistake was made in that Meridian Mansion case it was made in favor of the owner.

Mr. MILLSPAUGH. We are going to see about that directly. But I did not finish my question. I asked as to Fontanet Courts, Falkstone Court, and Clifton Terrace.

Mr. SINCLAIR. We have not had any cases or complaints of any kind in the Falkstone.

Mr. MILLSPAUGH. You have had complaints of individual apartments, have you not?

Mr. SINCLAIR. I say, not since the constitutionality of the law was upheld.

Mr. MILLSPAUGH. When was that upheld?

Mr. SINCLAIR. It was upheld last year, sometimes after we had fixed the rents upon the complaints filed in the Fontanet.

Mr. MILLSPAUGH. After the constitutionality of the law was upheld, and in view of the fact that over 800 cases were filed from September 18, 1921, to November 27, 1921, only 48 of those cases that were brought before the commission upon affidavits of people apparently of moderate means, you abandoned that, when they are seven months behind, and take up an apartment house occupied by Senators and millionaires?

Mr. SINCLAIR. Not at all, sir.

Mr. MILLSPAUGH. Is it not true that in the Meridian Mansion that nearly every reduction you made was a reduction in the apartment occupied by a Senator or wealthy man, and that the small apartments were all increased?

Mr. SINCLAIR. My dear sir, I do not know whether it is true or not, because in fixing rents for apartments or buildings we do not consider the personality of the owner or the personality of the tenant.

Mr. MILLSPAUGH. All right, sir.

Mr. SINCLAIR. Because the rent fixed to-day may be paid by some other person to-morrow. The rent statute provides that the rent fixed by the Rent Commission shall continue in full force and effect without regard to change in tenancy or ownership.

Mr. MILLSPAUGH. I will refer you to tier No. 12 in Meridian Mansion.

Mr. SINCLAIR. Where is tier No. 12? I have not considered this case since we filed that determination. Tell me what apartments are in tier No. 12.

Mr. MILLSPAUGH. All right, I will call them to your attention.

Mr. SINCLAIR. If you can give me the names of the Senators, I will testify.

Mr. REED. There was a period of several months in which you operated in a kind of twilight zone, during which the owner kind of ignored and snapped his fingers in your face. Your decisions had no standing and would never amount to anything, and you could not get any support?

Mr. SINCLAIR. Exactly; they staid away and ignored us, and then after we fixed the rents they criticised us for fixing the rents too low when they deprived us of the benefit of information which they alone could have furnished.

Mr. MILLSPAUGH. You did not answer me awhile ago, the question that I propounded to you—before we go on tier No. 12—

Mr. SINCLAIR (Interposing). I want to answer literally every question you propound.

Mr. MILLSPAUGH. All right. Why did the commission take up the Chastleton, the Hadleigh, and the Meridian Mansions that are occupied by people of wealth when their docket was more than seven months behind in cases that were brought before the commission on sworn affidavits of people of moderate means?

Mr. SINCLAIR. We have never taken up the Hadleigh, and I am unable to say whether we will ever take it up. There is a case down there affecting the Hadleigh. The Hadleigh is owned by a certain number of people, and it is rented to a lady who operates it as an apartment house and hotel. It is operated very much like the Meridian Mansions. We have a complaint of the lady who operates it asking the Rent Commission to fix her rent, and we have a number of complaints from her tenants asking us to fix their rent. We have not decided when we will take it up at all; we have not given it any consideration whatever.

Mr. MILLSPAUGH. But you fixed the Chastleton?

Mr. SINCLAIR. No, we have not fixed the Chastleton.

Mr. MILLSPAUGH. You are at work on it?

Mr. SINCLAIR. We have it under advisement.

Mr. MILLSPAUGH. Then why did you take up the Chastleton and Meridian Mansion when there are so many cases of poor people yet undetermined?

Mr. SINCLAIR. If I have not made the reason clear as to why we took up the Meridian Mansions, then I have been very unfortunate in the choice of my language. We were forced to take up the Meridian Mansions.

Mr. MILLSPAUGH. By whom?

Mr. SINCLAIR. By the owner and by a number of tenants. They were both appealing to us to fix the rents; and why should we not have fixed all of the rents at one time when the owner had furnished us with the data which we had called upon him to produce and which so many other owners have refused to give us upon request?

Mr. MILLSPAUGH. Why should the appeal of a Senator or a millionaire be stronger than the appeal of a man of no means?

Mr. SINCLAIR. I say, we do not take into consideration the personality of the parties. If there are any millionaires—

Mr. MILLSPAUGH. Why was it advanced on the docket?

Mr. SINCLAIR. It was not advanced on the docket.

Mr. MILLSPAUGH. It was considered out of its place?

Mr. SINCLAIR. It was considered out of its place?

Mr. MILLSPAUGH. Yes.

Mr. SINCLAIR. I did not know that.

Mr. MILLSPAUGH. Well, look at your record.

Mr. SINCLAIR. We put it on the docket and sent out notices—I think 30-day notices—stating that we had decided to fix the rents in this apartment house, and we served notices on everybody, and when it came on for hearing we took it up and tried it.

Mr. MILLSPAUGH. Mr. Sinclair, you do not mean to tell me, do you, that the hearing on the Meridian Mansions and on the Chastleton took their order as the complaints were listed on your docket, do you?

Mr. SINCLAIR. There were no complaints filed against the Chastleton—there were no written complaints.

Mr. MILLSPAUGH. How did you happen to take it up?

Mr. SINCLAIR. We took it up upon consideration of innumerable oral complaints made to the commission regarding the conditions and the high rents in the Chastleton.

Mr. MILLSPAUGH. Then, you took up the situation in the Chastleton?

Mr. SINCLAIR. And I brought with me one written complaint, an informal communication that was sent to the commission about the Chastleton.

Mr. MILLSPAUGH. But you took up a complaint about an apartment house like the Chastleton, occupied by rich people, on an oral complaint, when you have got over a thousand complaints on your docket, sworn to by poor people. That is the objection I am making.

Mr. SINCLAIR. On the contrary, I think there are no rich people in the Chastleton. I did not find them.

Mr. MILLSPAUGH. There are.

Mr. SINCLAIR. That apartment house is filled with Army officers—colonels, majors, captains.

Mr. MILLSPAUGH. Then, why did you take them up out of their place?

Mr. SINCLAIR. We took it up because we conceived it to be our duty.

Mr. MILLSPAUGH. You said you took it up on oral complaints?

Mr. SINCLAIR. Oral complaints.

Mr. MILLSPAUGH. Why did you abandon these complaints that were filed with you under affidavits by poor people? That is what I want to know.

Mr. SINCLAIR. I have told you—let me at this point call attention—

Mr. MILLSPAUGH (interposing). Let me ask you another question: The Meridian Mansion was not filled with Army officers, was it?

Mr. SINCLAIR. Let me tell you something. Let me call your attention to something. I want to read a letter to you here which contains some evidence bearing upon the question as to why the Rent Commission should take up such cases.

Mr. MILLSPAUGH. All right; I would be glad to hear it.

Mr. SINCLAIR. Let me read it to you. It is from a gentleman by the name of C. H. Stokes, dated April 25, 1922. [Reading.]

"The RENT COMMISSION,

"Washington, D. C.

"DEAR SIR: May I ask what this means?"

He incloses a notice received by him from the last purchaser of the Clifton Terrace Apartment House. The inclosure reads:

"I have recently purchased the Clifton Terrace Apartment, in which you reside, and have placed the management of the building in the office of the Carnegie Real Estate Co., 1344 G street, N.W. I would appreciate it, therefore, if in the future you would make all rent payments to them.

"Trusting that our relations as landlord and tenant will be mutually agreeable, I am,

"Yours very truly,

"NANNIE E. GOSS."

She, I understand, has been acting as secretary of Mr. Felix Lake, who until recently owned the Chastleton. Here is the letter (reading):

"Dear Sirs: "May I ask what this means, this slip inclosed? Is this a bona fide sale, or is it another excuse to raise rents? Is Nannie E. Goss the actual owner of these buildings; if not, who is? This makes about the sixth time since I have lived here that we have been notified of a change of ownership."

"May I also ask"—here is the point of the letter—"in handling down rent reductions for this building why you don't make them to apply all over Clifton Terrace? So many people are timid, so many do not know how to apply for reductions, so many are afraid of the cost and consequent black list.

"Sincerely,

"C. H. STOKES."

Wouldn't it be the nice thing to treat us all alike?

Mr. MILLSPAUGH. What is the date of that, please?

Mr. SINCLAIR. That is dated April 25, 1922, and it was received by the Rent Commission, April 27, 1922—two days after we fixed 18 or 20 rents in Clifton Terrace on complaints filed, and we would have fixed the rents for the entire building but we were unable to secure from the rental agents, the F. H. Smith Co., the data and information which we should have had in order to do that.

Mr. MILLSPAUGH. I believe you said you were quoting that letter to show me why they took up the Chastleton?

Mr. SINCLAIR. Yes.

Mr. MILLSPAUGH. That is dated the 25th of April.

Mr. SINCLAIR. Here is the point of the letter: Many tenants in apartment houses do not want to come before the commission and file formal complaints for fear of being put on the black list. In this connection, there are certain landlords in Washington and real estate agents who do maintain a so-called black list; it is a red list. You go into some of the real estate offices in this city and ask if they have an apartment for rent or a house for rent, and one of the first questions they will put to you is, "Have you ever been before the Rent Commission?" And if you answer in the affirmative, their reply to your question is in the negative, "We have nothing for rent."

As showing the attitude of certain real estate agents—or realtors, I believe is the word used now in Washington—they refused to extend or renew any leases last October. A majority of leases, I think it is fair to say, expire in the fall of the year, the 1st of October. They refused to renew the leases unless the tenants would consent to pay an increase in rents, and they would say to them, "Well, if you can not pay the increase in rent, you can not have a lease, and you can stay in under the Ball rent law until the 22d of May."

Let me tell you something that came to me secondhand, but which I believe is true: There is a certain lady who lives in an apartment house supposed to be owned by Mr. Felix Lake, the late owner of the Chastleton. She had been in the apartment house for about eight years—

Mr. SPROUL (interposing). I object to this going into the record. The gentleman makes a statement in which he says he does not know whether it is true or not.

The CHAIRMAN. Do you state it as a fact or what?

Mr. HAMMER. He said he believed it to be true. I do not see any objection to its going into the record for what it is worth.

Mr. REED. It goes into the record qualified by his own statement that it is secondhand.

Mr. SPROUL. He says he does not know whether it is true; that he received it secondhand.

Mr. SINCLAIR. This is a conversation between this lady and Mr. Felix Lake. She heard that Mr. Lake was going to be in this apartment house on a certain day and she was looking out for him—wanted to see him. She had occupied an apartment in the building for 8 or 10 years. So she waited patiently.

Mr. SPROUL. Mr. Chairman, suppose we get that lady up here and let her make the statement in reference to this matter.

Mr. SINCLAIR. Very well. I will not insist on giving that.

Mr. MILLSPAUGH. Mr. Sinclair, you have not answered my question. I have got a number of letters in here from poor folks who have had their complaints before the Rent Commission for six or seven months, sworn to; and you throw up a smoke screen here about the Clifton Terrace and refer to a letter you got on the 25th of April, just two or three days ago. I want to know why you abandoned the docket in respect of these poor folks and take up the Meridian Mansions and the Chastleton. You have not answered me yet. I want information.

Mr. SINCLAIR. Certainly; I am going to give you all I can.

Mr. MILLSPAUGH. You have not given it to me yet.

Mr. SINCLAIR. I thought I stated to you, Mr. Millspaugh, that we were called upon to fix the rents for certain apartments in that building both by the owner, Kennedy Bros., and by some of the tenants.

Mr. MILLSPAUGH. But you advanced it out of its order?

Mr. SINCLAIR. Not at all; those cases had been pending there for some time.

Mr. MILLSPAUGH. All right. I am calling your attention—

Mr. SINCLAIR (interposing). Does that record show when the complaints were filed?

Mr. MILLSPAUGH. I will call your attention to case 5117, in which instead of 30 days' notice you gave 6 days, from the 16th to the 22d. Kindly look at that. [Handing paper to Mr. Sinclair.]

Mr. SINCLAIR. This is the notice of the setting down of the case for hearing.

Mr. MILLSPAUGH. A six days' notice, is it not?

Mr. SINCLAIR. Six days?

Mr. MILLSPAUGH. This is from the 16th of November until the 22d of November?

Mr. SINCLAIR. Yes; we thought to give at least that much notice.

Mr. MILLSPAUGH. You said you gave 30 days, and that shows 6 days.

Mr. HAMMER. That is where complaint was filed.

Mr. SINCLAIR. Let us see. There is another notice there that preceded this. "You are hereby notified that pursuant to the provision," so—you are reading the last notice—the 10th day of November. I will tell you how that notice was given—that is not the original notice. We took up the main building. That notice relates to a little annex to the Meridian Mansions, around on Kalorama Road; that is not the Meridian apartments proper, although it is used as a part of it.

The CHAIRMAN. What is the policy of the commission—to take those complaints up in order or in such a way as you can facilitate matters? Is it the fact that sometimes one case might not come up because it was not ready, did not have the affidavits or something, while the other was ready?

Mr. SINCLAIR. It depends upon the exigencies of the case sometimes. If a motion is made to advance cases, sometimes we advance if good cause is shown.

The CHAIRMAN. That is the policy of the office?

Mr. SINCLAIR. Yes.

The CHAIRMAN. But this is the point raised yesterday, that I think attracted the public notice and really caused the comment, and that is that a Senator of

the United States was able to get, I think, 10 rooms at relatively half what the other tenants got two for. How did it happen that the distinguished statesman over there obtained that favor while a Congressman like myself could not do anything like that?

Mr. SINCLAIR. We considered all that. We went all through that building and made a careful inspection of it, and we fixed those rents without reference to the name of the person who happened to occupy the apartment. We have been preaching that to the tenants and landlords ever since we started to function as a Rent Commission: "We are not fixing the rent for you, Mr. Tenant; we are fixing the rent for the apartment." The proceeding before the Rent Commission is a proceeding in the nature of a proceeding in rem against the apartment or the apartment in the house; in that case we started proceedings against all the apartments in the house.

Mr. REED. My colleague, Mr. Millspaugh, seems to have this in mind: That you are so many months behind with the regular applications of some tenants and landlords that you can not reach a given case for so many months; is that true?

Mr. SINCLAIR. We are behind about a thousand cases, pending right now.

Mr. REED. He says you skipped over some of those and took up people who have never even filed a complaint. I understood you to say that in some apartment there is an old pending case of one or more, and you reached that, and that then you had automatically taken up all the apartments in that apartment house, which brings them all in ahead of others.

Mr. SINCLAIR. We always try to dispose of as many cases in an apartment house as possible, because if we fix a rent to-day somebody else will come in to-morrow, and somebody else will come in the next day. We could spend seven months in one big apartment house almost, because we have to go into the whole proposition in every case that arises. The owner brings in his lawyer each time, and sometimes the tenants are represented by counsel, and it saves time to group them. It is the part of wisdom to fix all the rents in these apartment houses if we can, and the only reason we did not get at it sooner was because we did not get the data which was indispensable to the intelligent fixing of the rents.

Mr. MILLSAUGH. You do not mean to go on record here as saying that you took up the Meridian Mansions in its regular order on the docket, do you? You can answer that.

Mr. SINCLAIR. How can I answer that? I know that these complaints were on file there on both sides, and we had the information which we had called for from the Kennedy Bros., and we put the thing down for hearing and made one job of the whole building.

Mr. MILLSAUGH. Will you listen to my question just once? I want to know if you go on record as saying that the Meridian Mansions was taken up in its regular order as filed on the docket of the Rent Commission?

Mr. SINCLAIR. I won't go on record, because I just told you it would be impossible for me to tell you that. I would have to look at the file mark on the complaints filed by Kennedy Bros. and the file mark on the complaints filed by the tenants against Kennedy Bros.

Mr. MILLSAUGH. Mr. Sinclair, is it not a fact that the Rent Commission took up consideration of the determination of rents in the Meridian Mansions because pressure was brought to bear on them from some Senators and wealthy people who resided in the Meridian Mansions?

Mr. SINCLAIR. Not at all. The Rent Commission called on—

Mr. MILLSAUGH (interposing). I will say to you, frankly, that I got that information in your office.

Mr. SINCLAIR. You did? Well, you did not get it from me, and you were misinformed if you got it. Let me say in that connection that if I were to do that simply to comply with the wish of a Senator or Congressman or anybody else, I would not be fit to be on that Rent Commission.

Mr. MILLSAUGH. I agree with you.

Mr. SINCLAIR. An oath was administered to me to administer the duties of that office impartially and without fear or favor.

Mr. MILLSAUGH. I will say I was shocked when I heard it.

Mr. SINCLAIR. And I have done it from the start; and I will say that in 1920, complying—long before that, many months before we decided to fix the rents in this apartment house, and while Commissioner Oyster was a member of the Rent Commission, letters were sent out to all apartment houses calling on them to give us the data and information which we are authorized to call for by section 117 of the rent law. That section reads:

"The owner of an hotel or apartment shall file with the commission plans and other data in such detail as the commission requires, descriptive of the rooms, accommodations, and service in connection with such hotel or apartment, and a schedule of rates and charges therefor. The commission shall, after consideration of such plans, schedules, data, or other information, determine and fix a schedule of fair and reasonable rates and charges for such hotels or apartments; and the rates and charges stated in such schedule shall thereafter constitute the fair and reasonable rates and charges for such hotel or apartment. The commission's determination in such case shall be made after such notice and hearing and shall have the same force and be subject to appeal in the same manner as a determination of the commission under section 106 of this title."

Now, at the first hearing before the Senate District Committee, at which I appeared, the commission stated—or I stated as a member of the commission—they asked us if we had taken any proceeding under that section, and I testified that we had, and that we had called on all the apartment houses in the city, or practically all of them, asking for that data and information, and that we had not received the data and information except from a very few owners of small apartment houses. We were after it away back there, and we did not succeed in getting it; we did not succeed in getting the information until after the law was extended. Then this data and information that we had called for was brought in and we proceeded to put the case down in view of the pendency of complaints on both sides.

Mr. MILLSAUGH. I started to ask you about tier No. 12 awhile ago, but we got deflected.

Mr. SINCLAIR. Yes, s'r.

Mr. MILLSAUGH. It appears this is the schedule of the commission as fixed for tier No. 12, beginning with No. 212, the owners' schedule was and the commissions' schedule \$160; No. 412, the owners' schedule was \$175 and the commissions' schedule \$170; No. 512, the owners' schedule was \$180 and the commissions' schedule was \$170; No. 612, the owners' schedule was \$185 and the commissions' schedule was \$170.

Now, in 712 the owners' schedule was \$185 and the commissions' schedule is \$120. That apartment, occupied by Senator Walsh, has a rental value fixed at \$50 per month less than the fourth or fifth or sixth floors. Can you tell me why that was done?

Mr. SINCLAIR. That is the easiest question you have put to me.

Mr. ZIHLMAN. Mr. Humphrey testified here yesterday and he referred to all these fixings of the commission, and he referred to that as a reduction in rent. Now, you read a property owner's schedule. Mr. Sinclair made the statement a few moments ago that they increased the rents in this Meridian Apartment, and from Mr. Humphrey's testimony I judged that there had been sweeping reductions made in existing rentals.

Mr. MILLSAUGH. But there had been, except in this tier, Mr. Zihlman, as I understand it.

Mr. ZIHLMAN. I would like to get clear whether these figures listened to all day were actual rentals reduced or whether they were the proposed rentals of the landlords.

Mr. HAMMER. They were proposed rentals, is what I understand.

Mr. ZIHLMAN. They were proposed schedules according to the statement of Mr. Sinclair, but from Mr. Humphrey's statement we were led to understand they were existing rentals.

Mr. MILLSAUGH. Then I will ask, Mr. Zihlman—I wish you would cover this, but I am asking this question now, Why Senator Walsh's apartment, No. 712, was fixed at \$50 a month less than the three apartments under him? He is on the seventh floor—that is, less than the fourth, fifth, and sixth?

Mr. SINCLAIR. I know I can answer that question, and I am going to make you understand it.

Mr. MILLSAUGH. I want you to do so. You have not made me understand about the others yet.

Mr. SINCLAIR. That difference in rent was based upon the structural defects in that particular apartment. You know in fixing rents—

Mr. MILLSAUGH (Interposing). What was that structural defect?

Mr. SINCLAIR. I am going to tell you what I recall about it. There was a large crack in the arch over the door leading from the reception hall into the dining room. That was one. There was a crack all the way around the dining room between the picture molding and the ceiling; that is No. 2. There was a

hole in one of the walls; that is No. 3. The floors needed attention and the paper was in bad shape. In fixing the rent for an apartment house—

Mr. MILLSPAUGH (Interposing). Do you not fix a rental on an apartment house according to the records in the hearings?

Mr. SINCLAIR. The record and the condition shown by the inspection which was invited by the owners of this building; they offered this building in evidence—

Mr. MILLSPAUGH (Interposing). You make a record of such an inspection, do you not?

Mr. SINCLAIR. We make it in our heads.

Mr. MILLSPAUGH. You do not put it down, then?

Mr. SINCLAIR. No; we do not put it down. We went around there and noted it, and the determination was made.

Mr. MILLSPAUGH. Did you make a notation on the records of those defects?

Mr. SINCLAIR. I had a memorandum book that I carried around with me.

Mr. SPROUL. May I ask the gentleman a question. You made the statement that you reduced the rent on that apartment \$50 a month because there was a certain arch in the apartment that was cracked, and that there was a crack running around the ceiling in the dining room; there was a hole in the wall some place; and you reduced it—

Mr. SINCLAIR (Interposing). And the floors needed attention.

Mr. SPROUL. And you reduced the rent of the apartment \$50 a month on that account?

Mr. SINCLAIR. Yes.

Mr. MILLSPAUGH. And he had not asked to have that done. Was there any record of the commission showing that Senator Walsh had asked the owners to fix that?

Mr. SINCLAIR. We were inspecting it and saw its condition.

Mr. MILLSPAUGH. That is not what I asked you. Had Senator Walsh filed a complaint?

Mr. SINCLAIR. Both sides—

Mr. MILLSPAUGH (Interposing). Had Senator Walsh filed a complaint?

Mr. SINCLAIR. The complaint was filed against Senator Walsh by the corporation, the owner of the property.

Mr. SPROUL. In your opinion what was the cost for putting that apartment in good living condition and patching up the crack in the arch? I presume it was safe for a person to live in the building notwithstanding this crack in the arch; the building was perfectly safe to occupy?

Mr. SINCLAIR. I can not tell you that.

Mr. SPROUL. In your opinion what would it have cost to have patched the hole in the wall and fixed up the cracks in the ceiling and the arch?

Mr. SINCLAIR. I could not tell you that.

Mr. SPROUL. It would cost not over \$15 or \$20, probably.

Mr. MILLSPAUGH. Mr. Sinclair, is it not your duty to know that as a member of the commission?

Mr. SPROUL. You appeared to know it when you reduced the rent \$50 on that account.

Mr. MILLSPAUGH. How did you arrive at the \$50?

Mr. SINCLAIR. Mr. Millsbaugh, we arrived at it after consideration of the condition of that apartment—I want to state the policy of the Rent Commission in this connection, and it has a bearing on this very question that you put. The Rent Commission has no way under the existing law of requiring tenants to make necessary repairs. We are powerless to order the owner to repair the apartment; we can not enforce an order of that kind under existing law; the Rent Commission away back at the beginning of its work decided that the most effective way to force an owner to make repairs was to reduce the rent.

Mr. SPROUL. Soak them?

Mr. SINCLAIR. It was somewhat in line with that policy. We were forced to that because there is no penalty provided in the law.

Mr. SPROUL. Does that Senator still occupy that apartment?

Mr. SINCLAIR. Indeed, I do not know, sir.

Mr. MILLSPAUGH. Had he ever made a complaint to the commission of the condition of his apartment?

Mr. SINCLAIR. He had; an answer was filed by him to the complaint filed by the owner asking us to fix the rent.

Mr. MILLSPAUGH. Is it not a fact that he was occupying that apartment and paying only \$105 a month for it?

Mr. SINCLAIR. I believe that is true.

Mr. HAMMER. Several things were stated yesterday by Attorney Humphreys appearing for the Meridian Mansions, not in the record, but it was stated that "Judge Smyth, the justice of the court of appeals residing in said building, has been brought by the adjustment of his rent before the commission"—that is what this states. You left that out a while ago. "The owners of the building asked that the commission adjust the rent of said Senators also?"

Mr. SINCLAIR. Yes.

Mr. HAMMER. "When this request was made by the owners, the commission of its own motion"—which you had a right to do under the law?

Mr. SINCLAIR. Yes.

Mr. HAMMER. "Although there were hundreds of other cases pending at the time, proceeded to fix the rent of all the tenants of said building."

Mr. SINCLAIR. Yes.

Mr. HAMMER. You have explained, and, of course, it is I think, satisfactory to all, satisfactory to all fair-minded persons, that you should fix all the rents in any one building at the same time and not take the time for another suit. But what Mr. Millspaugh asked you was, as I understand it, if you exercised that discretion, which you have a right to do, to advance this case above hundreds of others as stated lower down and graduated; did you do that or not? That is a simple question to answer.

Mr. SINCLAIR. I would have to state—you see, we had been trying to get this data.

Mr. HAMMER. In other words, the impression is left on the committee, however, that you were engaged in a species of favoritism to Senators of the United States, and it was stated—I do not mean stated by the attorneys directly, but it was insinuated, to say the least, and was stated around the room here by two or three, that the commission was probably influenced by the fact that these Senators have to approve the appointment of the personnel of the commission. I am not saying that, but I heard that.

Mr. SINCLAIR. It could not be further from the fact.

Mr. HAMMER. Somebody said it; I do not remember who.

Mr. MILLSPAUGH. Will the gentleman yield?

Mr. HAMMER. Yes; in one second.

Mr. MILLSPAUGH. I do not think Mr. Sinclair has answered that.

Mr. HAMMER. He probably can not answer from his memory, but he had a right to do it, I submit.

Mr. SINCLAIR. The record will show that. The record will show when the complaints were filed by Kennedy Bros.

Mr. HAMMER. It is only brief; just a few things I want to ask you about.

Mr. MILLSPAUGH. Just let me ask him one question about this Culberson Apartment, first, Mr. Hammer.

Mr. HAMMER. Yes; that is all right.

Mr. O'BRIEN. May I ask this question, Mr. Millspaugh? Just one question.

Mr. MILLSPAUGH. I yield.

Mr. O'BRIEN. Do you mean to say, Mr. Sinclair, that the proprietors or owners of that apartment filed complaint against Senator Walsh for having the apartment in that condition?

Mr. SINCLAIR. No; they filed a complaint asking the Rent Commission to increase the rent then paid by Senator Walsh.

Mr. KELLER. And you increased the rent, did you?

Mr. SINCLAIR. We increased the rent, although we did not fix the rent as high as the owners claimed it should be fixed, and the reason we fixed it as low as this was—

Mr. O'BRIEN (interposing). Let me ask you right now: Did Senator Walsh object to that?

Mr. SINCLAIR. Object to what?

Mr. O'BRIEN. To the proposed increase of rent?

Mr. SINCLAIR. Oh, yes; he filed an answer to the complaint of the owner. You see, the case was at issue.

Mr. O'BRIEN. Senator Walsh did not take the initiative in it, did he?

Mr. SINCLAIR. Oh, no; he was the defendant.

Mr. MILLSPAUGH. What did he set up in his answer?

Mr. SINCLAIR. It was a long answer.



Mr. HAMMER. Not only took the initiative, but the rent was reduced from what he was paying then. Every one of the committee understood that.

Mr. SINCLAIR. It was increased.

Mr. MILLSAUGH. I did not know that. We were left in the dark about it.

Mr. HAMMER. You knew it. Mr. Humphrey spoke about the reduction from \$150 to \$120. Every member of the committee understood it except Mr. Millsaugh, I am quite certain.

Mr. HUMPHREY. Senators had been in there from the beginning, and Senator Walsh was in for \$105. But here is the schedule showing that all the others were paying the schedule. They were not objecting, as while they did advance the Senators they still left it below the schedule of the other tenants shown there.

Mr. MILLSAUGH. \$50 a month.

Mr. HUMPHREY. Yes.

Mr. MILLSAUGH. Was it not the purpose of the Ball Rent Act to meet an emergency and to provide more housing for the people?

Mr. SINCLAIR. Yes; that was the sole purpose, if I understood it.

Mr. MILLSAUGH. Then, take the Meridian Mansions. I am informed that Senator Culbertson occupies four apartments in the Meridian Mansions, 10 rooms and 5 baths, one foyer and one porch; and that the commission did reduce his rent. Do you think that is within the spirit of the Ball Rent Act?

Mr. SINCLAIR. I think we fixed his rent fairly and reasonably and justly, and we made an inspection of his apartment, too.

Mr. MILLSAUGH. Apartments, please—four of them.

Mr. SINCLAIR. I said "apartments." He was paying \$407.50, and we reduced his rent to \$350; that is my recollection.

Mr. MILLSAUGH. Is it not a fact that almost every apartment in the Meridian Mansions that had only one room, a bath and kitchenette, was increased in rent?

Mr. SINCLAIR. Yes; and those rents—

Mr. MILLSAUGH (interposing). They were not occupied by Senators or millionaires, were they?

Mr. SINCLAIR. I did not find any millionaires in there. I would not know a millionaire if I were to see one—

Mr. MILLSAUGH (interposing). Where?

Mr. SINCLAIR. In the Meridian Mansions or elsewhere.

Mr. MILLSAUGH. Yes.

Mr. HAMMER. The statement was made in the record yesterday: "In this voluntary adjustment of rents by the commission, the commission gave the greatest reductions on the largest, most desirable, and most luxurious apartments." That says "greatest reductions." Now, I understand that to mean the greatest reductions in the rents then being paid. Is that correct? Did you give the greatest reductions from the schedules filed by the owners of the Meridian Mansions?

Mr. SINCLAIR. The reductions are from the schedules that were presented to us. The greatest reductions were made in the rent of the unfurnished apartments. Now, there were certain apartments that were furnished, known as "hotel" apartments. Those rents were too low. We saw that before we had gotten very far into this case, and saw that those rents needed readjustment, and Commissioner Taylor when she takes the stand will tell you about a conversation with the rental agents for the property, who admitted that those rents should be readjusted, and that the rents for those small apartments were too low.

Mr. KELLER. In fixing these rents, I suppose you took into consideration service?

Mr. SINCLAIR. Oh, yes.

Mr. KELLER. Suppose two people occupied five rooms, practically getting the same service as a person occupying one room, if it is hotel service?

Mr. SINCLAIR. Yes.

Mr. KELLER. I suppose that could happen in those apartments, and, as a rule, it would be higher than for five?

Mr. SINCLAIR. Yes; and we fixed day rates for those hotel apartments, also.

Mr. HAMMER. I want to ask you if the rental price in this schedule that was in effect and which was charged for apartments was a price which the owners had fixed voluntarily?

Mr. SINCLAIR. That they had fixed?

Mr. HAMMER. Upon the cost of the building which they had erected?

Mr. SINCLAIR. Yes.

Mr. HAMMER. And now they come into court and ask that you increase those rents?

Mr. SINCLAIR. Yes.

Mr. HAMMER. And you did increase the rent on Senator Walsh?

Mr. SINCLAIR. Oh, yes; we increased his rent.

Mr. HAMMER. Did you increase Senator Culberson's rent?

Mr. SINCLAIR. No; Senator Culberson was one of these two complainants who filed proceedings against the owner.

Mr. HAMMER. Did you increase Senator Gooding's rent?

Mr. SINCLAIR. Senator Gooding's rent, I think, was lowered \$20 or \$25.

Mr. KELLER. Then the figures would show that the owner, before you made this investigation, was discriminating against Senator Culberson and Senator Walsh. Senator Walsh had a very cheap rent at \$105, and the other man very high. He was discriminating against all of the tenants?

Mr. SINCLAIR. Yes.

Mr. HAMMER. And you took up that discrimination, if there was one?

Mr. SINCLAIR. We tried to to adjust them fairly, to the landlord and to the tenants.

Mr. HAMMER (reading):

"In the fixing of the rents, gross favoritism is shown in many instances, and especially to tenants of prominence and political influence."

That is one of the statements.

Mr. SINCLAIR. I think I have answered that.

Mr. HAMMER (reading):

"In one tier, No. 10, which is the most desirable in the building, all the apartments are occupied by prominent and rich tenants, and the reduction by the commission on the apartments in this tier was greater than anywhere else?"

Mr. SINCLAIR. I do not recall which tier that was. But I know—

Mr. MILLSPAUGH (interposing). To refresh your memory—

Mr. SINCLAIR (interposing). Is that the tier the Kennedys lived in? We reduced the rents of the Kennedys.

Mr. MILLSPAUGH. Senator Jones, Mr. Snell, Mr. Treadway, and Mr. Oyster lived in that tier.

Mr. SINCLAIR. That is a back apartment. The Oyster apartment is almost on a level with the ground in the back of the building, and it is over the driveway and the servants' quarters.

Mr. MILLSPAUGH. That is over the garage, I believe?

Mr. SINCLAIR. No; the garage is in the back. Those apartments look out onto a big garage. There are a great many elements that have to be considered.

Mr. MILLSPAUGH. Is not tier 10 the choicest?

Mr. SINCLAIR. The Oyster—

Mr. MILLSPAUGH (interposing). That is the southwest tier, I believe they call it.

Mr. SINCLAIR. We did not think so, and I think the rents fixed would indicate that. How much did we fix the rent for the Oyster apartment at—about \$200, was it not?

Mr. HUMPHREY. After you got up above the second floor you reduced it \$60 apiece.

Mr. HAMMER. Another charge appears here: "When a Senator occupied an apartment identical with less prominent tenants gross discrimination was shown the Senator in several instances. This is fully shown on the table of rents and notes hereinafter submitted, which he has called your attention to."

Mr. MILLSPAUGH. While on that I wanted to ask him one question—as to that I am not satisfied yet—how the commission arrived at the difference of \$50, about which Mr. Sproul started to ask you awhile ago—that \$50 Senator Walsh pays, the difference between his apartment and the three apartments under him? How did the commission arrive at the value of those cracks?

Mr. HAMMER. I understood him to say that there was not such discrimination as is alleged on account of that; that he was only paying \$105, and that these other Senators were paying considerably more, and the discrimination is only apparent and not real.

Mr. MILLSPAUGH. He is still paying \$50 less than they were. The commission fixed his rent at \$50 less.

Mr. REED. Right there, does it not appear that the owners of the buildings—the proprietors—discriminated with reference to Senators in the beginning?

Mr. SINCLAIR. They made two or three schedules.

Mr. REED. And it seems that this discrimination in favor of Senators and Congressmen had been made before they took up the question with the Rent Commission.

Mr. HAMMER. I will be as brief as possible with my questions, and I will ask you to be as brief as you can with your answers, please. "Both Senator Walsh and the landlord, at the time the change was made, thought it added to the desirability of the apartment." They made a change in his apartment, at his request, costing \$200, as stated here—it is not in the record; but I do not know whether it is elsewhere. "All things considered, per foot space, Senator Walsh's apartment is the most desirable in the building. He pays proportionately less than any other tenant?"

Mr. HUMPHREY. Per foot, it is less.

Mr. SINCLAIR. Until that apartment is fixed—and the moment it is fixed up the rent can be put where it ought to be.

Mr. MILLSPAUGH. He set that up in his answer, Mr. Sinclair?

Mr. SINCLAIR. Mr. Millspaugh, I can not recall what is in that answer. It was a long answer, in reply to the complaint filed by the owners against him, and he was represented by counsel. How could you expect me to recall the contents of that answer, when I have not seen it since, probably, the 1st of December?

Mr. HAMMER. Another charge is that Senator Culberson is paying \$50 a month, while other tenants pay \$80 for a similar apartment?

Mr. SINCLAIR. There are no other tenants, as I understand it, that have similar apartments.

Mr. HAMMER. It is the charge; I am just calling your attention to it.

Mr. SINCLAIR. He has a combination of apartments, and there is no other tenant who occupies a similar combination.

Mr. HAMMER. The charge is made that apartments in tiers 22, 23, and 26 "are the most undesirable and the cheapest in the building, in the courts on the north side, occupied by poor tenants, and all the space they occupy is necessary for their comfort. They are not taking up space that they could yield to some one else and thereby help the congestion of which the Rent Commission complains, but which they forget in the fixing of their schedules." Your answer to that was contained in your answer to Mr. Keller?

Mr. SINCLAIR. Furnished or unfurnished, those apartments?

Mr. HUMPHREY. They are all unfurnished. Everything that is referred to is unfurnished.

Mr. SINCLAIR. We had no difficulty in reaching the conclusion—

Mr. HAMMER (interposing). Have you any other answer except the one you made to Mr. Keller a while ago, that the service should be taken into consideration?

Mr. SINCLAIR. Oh, yes; service and many other elements—noise, location, and the condition of repair of the apartments. The location is a very important consideration.

Mr. MILLSPAUGH. Mr. Sinclair, I notice that, referring again to these small apartments, so far as I can see on the plat here almost every one of them was raised or left unchanged; no reduction was granted.

Mr. SINCLAIR. Yes. We were satisfied that they ought to be increased; they were too low, and the agent of the owner admitted it.

Mr. MILLSPAUGH. How did you get your idea of their being too low and the others too high—that is what I am trying to get at, where you got your basis?

Mr. SINCLAIR. We got it from the testimony.

Mr. MILLSPAUGH. Of whom?

Mr. SINCLAIR. And from a careful personal inspection of the apartments and of the apartment house.

Mr. MILLSPAUGH. I do not doubt but what you made that inspection. But what I am trying to get at, Mr. Sinclair, is the basis on which you make these determinations. Here is a man who builds a building or a firm that builds it, and they make a schedule of rents there?

Mr. SINCLAIR. Yes.

Mr. MILLSPAUGH. And the apartment is filled with tenants. Then somebody makes a complaint and the commission, on its own initiative, proceeds to fix the rent for everybody in the building. Now, on what basis, or on what theory did you work when you decreased the rents of these senators and millionaires, and almost without an exception the poorer people are either raised or left where they were?

Mr. SINCLAIR. The first question is the hardest, namely, the question as to what is the fair and reasonable value of the property upon which the rents are to be fixed. That is a very hard question.

Mr. MILLSPAUGH. Did you fix it by the square foot?

Mr. SINCLAIR. By the square foot?

Mr. MILLSPAUGH. Did you fix the rate by the square foot of the apartment?

Mr. SINCLAIR. We fixed it by the room. Now, we first had to decide what this apartment house was fairly and reasonably worth, and our conclusion was that it was worth somewhere around \$1,700,000.

Mr. MILLSPAUGH. On what basis did you fix that?

Mr. SINCLAIR. There was testimony adduced tending to show that it was worth \$2,500,000. I want to read an affidavit to the committee, signed by Kennedy Brothers (Inc.), to the Board of Equalization and Review, Washington, D. C., July 18, 1918—it is not an affidavit; it is a communication; but it is attached to an affidavit.

Mr. ZIHLMAN. Is it a statement of the owner?

Mr. SINCLAIR. A statement of the owner protesting against the tax assessment made on the basis of \$700,000.

Mr. MILLSPAUGH. On what basis is property taxed here? I am asking for information.

Mr. SINCLAIR. It is supposed to be two-thirds, but it looks like it is going to more than that pretty soon. [Laughter.]

The District assessor assessed this property in 1918, for the year ending 1919, for taxes. The improvements were assessed at \$650,000, the main building, lot 875 and lot 901 were assessed at \$50,000, making a total of \$700,000, that is this property that was claimed to be worth \$2,500,000 in the year 1921. Let me read the communication: "To the Board of Equalization and Review, Washington, D. C. GENTLEMEN."

This was offered in evidence, and it was considered by the commission along with the other evidence.

"We respectfully appeal from the proposed assessment of improvements on lots 875"—

Mr. MILLSPAUGH. What is the date of that, if you will pardon me?

Mr. SINCLAIR. July 18, 1918. [Reading:]

WASHINGTON, D. C., July 18, 1918.

To the BOARD OF EQUALIZATION AND REVIEW,

Washington, D. C.

GENTLEMEN: We respectfully appeal from the proposed assessment of improvements on lots 875 and 901, in square 2571, at \$700,000 and \$60,000, respectively, for the reason that said assessment is based on a valuation far in excess of the cost of these improvements even after allowing 10 per cent commission as builder's profit, and including over \$100,000 extra cost due to war conditions.

When these improvements were started in August, 1916, building conditions were comparatively normal, but prices began to rise about this time and before contracts could be closed there was a great advance in all materials and labor.

We estimate that these buildings have cost us at least \$150,000 more than they would under normal conditions, which must be recognized as inflation. The actual cost including this inflation and also including 10 per cent for builder's profit is approximately \$100,000 less than the valuation on which the assessment above referred to is based, thus making the total valuation in our opinion approximately \$250,000 too high.

In view of these facts we feel that we are clearly entitled to a reduction of at least \$150,000 on the valuation or \$100,000 of this assessment, and would suggest making it \$610,000 on the main building and \$50,000 on the small apartment and garage.

As these two buildings were included under one set of contracts it is impossible to do more than guess at their relative values, but as they are essential to each other and must remain under one ownership, we regard this question as unimportant.

With the hope that this appeal may receive the favorable consideration of your honorable board, we beg to remain,

Yours very respectfully,

KENNEDY BROS. (INC.),  
By E. S. KENNEDY, President.

BOARD OF EQUALIZATION AND REVIEW,  
Washington, D. C.

[Excerpt from act of Congress approved July 1, 1902.]

"Sec. 5. That hereafter all real estate in the District of Columbia subject to taxation, including improvements thereon, shall be assessed at not less than two-thirds of the true value thereof."

The Supreme Court of the District of Columbia instructed the commission appointed to appraise the value of land and buildings square 690, as follows:

"The several parcels are to be appraised at their fair market value, with reference to the most advantageous uses to which they can be put by private persons or corporations; and by market value is meant what the property would sell for in cash or on terms equivalent to cash when offered for sale by one who desires but is not obliged to sell to one who desires but is not obliged to buy."

The above has been accepted by the Board of Equalization and Review as a proper definition of "true value." All assessments have been made upon that basis; and all questions asked in this form of appeal relate to valuation as thus defined.

[This blank is to be used for property in one square or parcel only.]

Appeal of Kennedy Bros. (Inc.), residing at No. \_\_\_\_\_.

Location of property, No. \_\_\_\_\_ Street, square 2571, lot 875.

Assessed value, land, \$60,000; building, \$700,000; total, \$760,000.

Is the property assessed at more than two-thirds of its true value?

What do you consider its true value? \$50,000 and \$610,000; \$660,000 assessment.

In what year was the property acquired?

What was the full consideration? Cost of construction?

State whether the property was acquired by exchange, auction sale, or by private sale.

Give a description of the character of the building, number of rooms, how heated, number of bathrooms, etc.: Apartment house—garage and apartment house.

Is objection to the assessment based on the value of land or building?

Is the property for sale? And at what price?

If rented, state for how much.

General remarks: See letter attached, and forms a part of this affidavit.

DISTRICT OF COLUMBIA, ss:

I hereby swear that Kennedy Bros. (Inc.) and H. L. Rust are the owners of the above-described property and that the answers made by me herein are full, true, and correct to the best of my knowledge and belief.

KENNEDY BROS. (INC.),  
By E. S. KENNEDY, *President*.

Subscribed and sworn to before me this 18th day of July, 1918.

A. McKENZIE,  
*Assistant Assessor, District of Columbia.*

And attached to this is an affidavit which seems to have been made out on a form furnished by the assessor's office, to be used by persons desiring to appeal from the assessment made by the assessors to the Board of Equalization and Review, a sort of court of appeals in tax assessment matters.

Mr. MILLSPAUGH. Then, Mr. Sinclair, you can state—in conclusion, so far as I am concerned—in your own judgment whether or not the Meridian Mansions was heard outside of its regular order.

Mr. SINCLAIR. No; I would have to be guided by the records, you see—

Mr. MILLSPAUGH (Interposing). And you have no reason to give to this committee why the commission, being over seven months behind in its hearings of cases that were brought before the commission under affidavits, should be abandoned for hearing of apartment houses that are occupied by wealthy and influential people, and people in official life?

Mr. SINCLAIR. No; I would want to follow the record. You understand, when these complaints were filed by the owner against the tenants and by the tenants against the owner, they were given a file mark—a mark was put on them showing when they were filed. I can not recall just where they stood. But the fact is we took them up together, and we think we saved time by doing so.

Mr. MILLSPAUGH. I beg your pardon.

Mr. SINCLAIR. But we are through with that building, we hope, unless the court of appeals finds some mistake in the record. The case is in the court of appeals for review now.

Mr. MILLSPAUGH. There are one or two other little questions I want to ask you regarding your conduct of the office. I want to ask you if in your docket you keep a record showing what the rent was in a case, and then what the commission determines?

Mr. SINCLAIR. Commissioner Taylor has a complete record.

Mr. MILLSPAUGH. I am talking about the docket.

Mr. SINCLAIR. But this is a part of the record.

Mr. MILLSPAUGH. I understand; but, Mr. Sinclair—

Mr. SINCLAIR (interposing). The docket is open to the public down there, but we do not keep minutes.

Mr. MILLSPAUGH. You keep a docket, do you not; you keep a record of cases?

Mr. SINCLAIR. Why, certainly.

Mr. MILLSPAUGH. Under the numbers?

Mr. SINCLAIR. Yes.

Mr. MILLSPAUGH. Numerically filed?

Mr. SINCLAIR. Yes.

Mr. MILLSPAUGH. Do you show on that record after the hearing is over what determination was made of the case?

Mr. SINCLAIR. We enter the dates of the filing of the determination, and the determination is attached to the files and put in the file case; and then there is a record made of the case, which Commissioner Taylor has supervision of, showing the amount of rent fixed, showing the amount of rent paid, and the amount of rent demanded at the time the rent was fixed.

Mr. MILLSPAUGH. But that does not show on this record that it is open to the public?

Mr. SINCLAIR. No.

Mr. MILLSPAUGH. You have got to go to the commission to check the determination in any case and to show what is done by the commission?

Mr. SINCLAIR. If you had to put all that in the record—

Mr. MILLSPAUGH (interposing). Mr. Sinclair, that would not be hard to do.

Mr. SINCLAIR. The papers are open to the public, and any other person coming in there interested in the papers, asking for the file number, can get them.

Mr. MILLSPAUGH. I will say to you that I went down there and I took your record, beginning, we will say, with No. 1, and it had reached 8,000 or so, with the cases some three or four to the page in the record, a record which set out when filed, and who the complainant was, and who the tenant was, and all of that, and the date of the filing of the determination, and what the commission's finding was as to the amount of rent. But there is no record there as to what was being charged or as to what the landlord demanded, is there?

Mr. SINCLAIR. Not at all.

Mr. MILLSPAUGH. And I would have to go to the files and get out every individual case and find that out, would I not?

Mr. SINCLAIR. I am sorry you did not speak to some member of the commission. If you had spoken to me, or had spoken to Mrs. Taylor, we would have furnished cards giving you that information from the first. We have a special clerk who looks after that.

Mr. MILLSPAUGH. Why could it not be put on that book?

Mr. SINCLAIR. It would take too much time and cost too much money.

Mr. MILLSPAUGH. It would not take a long time at all.

Mr. SINCLAIR. Indeed it would, the number of cases to be handled.

Mr. MILLSPAUGH. It is just a clerical matter.

Mr. SINCLAIR. I know, but other clerical matters take up all of the time of the help we have, and it would necessitate the employment of other clerks, and it would seem to me to be inadvisable to put that on the docket when the papers are there and can be called for and produced in a minute. We have a card index and property index, a complainant index and defendant index, and the papers can be handed out by the docket clerk in a few minutes.

Mr. MILLSPAUGH. I was unable to find out when I was down there, and I was there three different days.

Mr. SINCLAIR. It is unfortunate—

Mr. MILLSPAUGH (continuing). What the commission had done. But I finally found for the month of March—the secretary was very delightful to me and he gave me a statement for the month of March.

Mr. SINCLAIR. I have a statement here, a full statement, which I would like to hand you—I would like to put it into the record. May I read it?

Mr. MILLSPAUGH. Yes; I would be glad to have it.

Mr. SINCLAIR. This is the statement showing the work of the Rent Commission during the period beginning October 1, 1921, and ending March 31, 1922. Cases heard—

Mr. REED (interposing). How many months is that, approximately?

Mr. SINCLAIR. That is for six months, approximately: Cases heard, rent cases, 1,374.

Mr. MILLSPAUGH. How many were filed? Have you a record there?

Mr. SINCLAIR. I do not know. I know there are about a thousand waiting for hearing now.

Mr. MILLSPAUGH. In other words, the commission is very much further behind now than it was the 1st of October.

Mr. HAMMER. It was stated yesterday you were seven months behind.

Mr. SINCLAIR. No; it is not that far.

Mr. MILLSPAUGH. Mr. Sinclair, I found cases down there on the docket away beyond seven months.

Mr. HAMMER. Possibly you could find certain cases a year or two old.

Mr. MILLSPAUGH. I found case after case—I have the record here.

Mr. SINCLAIR. That is just the reason an amendment has been suggested to the bill under consideration.

Mr. MILLSPAUGH. You have just told Mr. Hammer you were not seven months behind. I have the record here.

Mr. SINCLAIR. I said I did not think it was as long as that. I can not be exact in answering a question like that, Mr. Millspaugh.

Mr. MILLSPAUGH. I will refresh your memory. Beginning September 29, 1921, here are the cases that were heard, with their numbers: 4808, September 29, 1921; 4811, September 29, 1921; 4842, October 21, 1921; 4844—now, we will run that record down to November 28, just so that you can see how far apart the numbers are: 4800, 4942, 4943, 4960, 4984, 5026, 5064, 5075, 5104, 5113, 5110, 5129, 5149, 5163, 5214, 5252, 5255, 5300, 5306, 5400—in other words, there are 600 cases filed in that time, that is away back to September 29, of which there were 24 cases determined.

Mr. SINCLAIR. Did you notice whether they had been postponed or not? Cases are frequently postponed.

Mr. MILLSPAUGH. Would that show on the docket if they are postponed?

Mr. SINCLAIR. They are marked on the papers.

Mr. MILLSPAUGH. They should be marked on the docket, should they not?

Mr. SINCLAIR. Marked on the papers.

Mr. MILLSPAUGH. The docket did not show it.

Mr. SINCLAIR. We do not keep minutes, you know.

Mr. MILLSPAUGH. As a matter of fact, does the commission report to anybody?

Mr. SINCLAIR. We have reported very fully to committees of Congress several times.

Mr. MILLSPAUGH. Does the Rent Commission report to anybody?

Mr. SINCLAIR. The act does not call for any report.

Mr. MILLSPAUGH. I understand that. I do not charge you with neglect, but, as a matter of fact, there is no report due from the commission to anybody?

Mr. SINCLAIR. Except that it is under certain—the accounting part of it is under the jurisdiction of the District auditor. With that exception, there is no provision for reporting.

Mr. MILLSPAUGH. You make no report to anybody?

Mr. SINCLAIR. But we have our records there open for inspection to anybody.

Mr. MILLSPAUGH. I understand that, but no report is made to anybody.

Mr. SINCLAIR. No. I want to pass on just for a moment to say this: Until it became known last summer that this rent statute was going to be extended, very few complaints were filed with the commission. There was a decided falling off about that time in the number of cases filed. After the law was extended, cases came in very fast. They came in some days. I was told, at the rate of 50 to 75 a day. They have been coming faster than we could try them, although we put down on the docket an average of about 20 cases for hearing each day. We had to take a little recess from time to time to decide cases and to go around and inspect property.

Mr. HAMMER. There was a statement made here yesterday that your commission did a good deal of loafing on the job; in other words, that you begin at 10 or 10.30, or some hour to suit yourselves, and that then you would quite at 2 o'clock or 3, and then on Saturday afternoons you did not work at all.

Mr. SINCLAIR. I have held several Government positions. I was assistant corporation counsel for 12 years, from 1899 to 1911, and I want to say that this is the hardest job I have ever held. Will you believe me that for three solid weeks I did not take dinner with my family once?

Mr. HAMMER. Another statement was made, not in the committee, but it is current on the streets and made by a gentleman who was in the room awhile ago, that you had not saved enough to the tenants in the District to pay your salaries. I have also heard that you have saved something like \$80,000 or \$100,000, and another gentleman said it was more than \$1,000,000, by deterring the owners from making higher charges for rents than they otherwise would have made.

Mr. SINCLAIR. I do not consider that we ought to have in our minds the question of saving any money for anybody. I believe that if the Rent Commission did not decide a single case the benefit would be conferred upon the public by the existence of the act on the statute books would more than justify the money appropriated for the operation of the commission.

Mr. MILLSPAUGH. Right there I want to ask you a question: Do you think that the taxpayers of my district in Missouri should be taxed to sustain the Rent Commission in Washington to fix rents here?

Mr. SINCLAIR. What I might think about it is immaterial.

Mr. MILLSPAUGH. I am asking you the question.

Mr. SINCLAIR. Why should the people of the District of Columbia be taxed for the maintenance of the Federal Government?

Mr. MILLSPAUGH. They are not.

Mr. SINCLAIR. Are they not?

Mr. MILLSPAUGH. No, sir.

Mr. REED. Oh, yes; they are.

Mr. MILLSPAUGH. By no means. Any city in this country would be tickled to death to take the contract.

Mr. REED. They pay income tax and revenue tax.

Mr. ZIHLMAN. What value did you put these Meridian Apartments in at?

Mr. SINCLAIR. Around \$1,700,000.

Mr. ZIHLMAN. Double what they said it was worth?

Mr. SINCLAIR. Yes.

Mr. ZIHLMAN. More than double?

Mr. SINCLAIR. Yes.

Mr. ZIHLMAN. Nearly two-thirds.

Mr. SINCLAIR. And we gave them about 8 per cent net.

Mr. ZIHLMAN. On the value you fixed?

Mr. SINCLAIR. Yes.

Mr. ZIHLMAN. Which is more than double?

Mr. SINCLAIR. Yes; and I have been informed reliably that since the rents were fixed in Meridian Mansions Mr. H. L. Rust, who owned a one-third interest in the property, sold his one-third interest to Kennedy Bros. for \$600,000, indicating a present value of \$1,800,000, not very far from the valuation made by the commission.

Mr. ZIHLMAN. Not far from the value you fixed?

Mr. SINCLAIR. Not far from the value we fixed on it.

Mr. ZIHLMAN. Let me ask you this question: Are there any small dwelling houses going up in the District of Columbia for rental purposes?

Mr. SINCLAIR. Very few.

Mr. ZIHLMAN. Do you think that the fact that this Rent Commission fixes the rent is deterring the real estate men from building small apartments for rent?

Mr. SINCLAIR. Well, I do not know; there has been a lot of building. The postmaster of the city made a survey of the District during the past winter, I think, to find out the number of houses for rent in the District at that time, and I think his survey disclosed that there were only 500 in the entire District of Columbia.

Mr. ZIHLMAN. There is a lot of building going on, principally large apartments, expensive apartments and houses for sale. Why do they not build houses here for rent as they formerly did?

Mr. SINCLAIR. The selling is too good; they are getting big prices.



Mr. MILLSPAUGH. That is just the point—if you will yield just a moment, Mr. Zihlman—is it not a fact that of the hundreds and hundreds of new houses that are being built in the District that they are hardly completed before they are sold at exorbitant prices to people on the installment plan, because of the fact that none can be rented; they must be sold?

Mr. SINCLAIR. I do not know that.

Mr. MILLSPAUGH. Is it not your opinion?

Mr. SINCLAIR. I do not know. It has always been true that new houses were offered first for sale, put on the market for sale before they were rented; that has always been the rule, as I understand it.

Mr. MILLSPAUGH. You can not rent a new house at all now.

Mr. SINCLAIR. I do not know; not unless advertised.

Mr. MILLSPAUGH. Does not the Ball Rent Act have this practical effect, that the real estate promoter will build a block of houses not worth over \$4,000 or \$5,000, but in view of the fact that people can not find apartments to rent, a man will buy one of these houses at as high as \$7,000 or \$7,500, pay \$1,000 down and so much per month until it is paid for? And that these promoters have been able to unload hundreds upon hundreds of houses upon the people in the District at very exorbitant prices because of that?

Mr. SINCLAIR. I can not answer that; I do not know. I had not finished reading from this statement. May I finish?

Mr. MILLSPAUGH. I wish you would give us that statement.

Mr. SINCLAIR. I read you a list of the cases heard—rent cases, total determinations made—those are what we call decisions fixing rents—total determinations made but not decided.

Mr. MILLSPAUGH. Wait a moment, Mr. Sinclair. What do you say that the aggregate amount of reductions were for that six-month period?

Mr. SINCLAIR. Reductions?

Mr. MILLSPAUGH. Increases and reductions.

Mr. SINCLAIR (reading). "The aggregate monthly increases in rents made in the 185 cases above mentioned was \$2,744.50; aggregate of monthly reductions made in the 467 cases above mentioned, \$5,989.82; the annual reductions aggregate \$7,187.74."

Mr. MILLSPAUGH. How did you get at those figures? I have the report made for March, which shows a monthly—

Mr. SINCLAIR (interposing). This is for six months.

Mr. MILLSPAUGH. All right; let us base it on that. Your total aggregate, then, was \$5,989.82, reductions and your decreases—

Mr. SINCLAIR. For this period?

Mr. MILLSPAUGH. And your decreases were \$2,774.50. In six months, in other words, these determinations of the commission—all of the determinations of the commission—amounted to a net reduction of \$3,215.32; that is, in six months—all of the reductions you made in six months.

Mr. REED. Monthly reductions?

Mr. MILLSPAUGH. That is all they heard.

Mr. SINCLAIR. All what heard?

Mr. MILLSPAUGH. In six months.

Mr. SINCLAIR. All the cases heard?

Mr. MILLSPAUGH. Yes; in all the cases you determined in six months, you only granted a net reduction of \$3,215.

Mr. SINCLAIR. We determined 919—

Mr. MILLSPAUGH (interposing). What was your aggregate reductions that you made in six months—\$5,989.82?

Mr. SINCLAIR. \$5,989.82—yes; that is right.

Mr. MILLSPAUGH. And your aggregate was \$2,774.50.

Mr. SINCLAIR. That is right.

Mr. MILLSPAUGH. Leaving a net reduction of \$3,215.32, that the commission was able to effect in six months; that is, all the cases you heard and determined.

Mr. SINCLAIR. That is per month.

Mr. MILLSPAUGH. All right. You only heard that many in six months?

Mr. SINCLAIR. It is at the rate—those figures are very plain.

Mr. MILLSPAUGH. Sure; they are to me.

The CHAIRMAN. Try to get that clear. How much have you reduced the rent in six months, and how much have you increased it?

Mr. SINCLAIR. I thought I had this very plain. The aggregate of monthly increases in rent made in the 185 cases mentioned—cases in which the rents

were increased—is \$2,774.50; the aggregate of monthly reductions in rents made in the 467 cases above mentioned is \$5,989.82.

The reductions aggregate that per month, and the reductions in those cases per year—that is, the annual reductions—aggregate \$71,877.74.

Mr. MILLSPAUGH. Let us take your own figures, and take it the way you figured. Under your figures the net reduction for a year, even at the monthly rate that you have been able to save, was \$38,580—that is, taking your figures, which I do not admit.

Mr. SINCLAIR. Why do you subtract the increases?

Mr. MILLSPAUGH. That is all you saved. You saved some fellow—

Mr. SINCLAIR (interposing). Is it a question of saving somebody?

Mr. MILLSPAUGH. That is what the act was provided for.

Mr. SINCLAIR. It was provided for keeping the tenants from being kicked out into the streets and to prevent excessive increases in their rents.

Mr. MILLSPAUGH. Oh, that is it, is it?

Mr. SINCLAIR. And to insure the payment of fair and reasonable rents.

Mr. MILLSPAUGH. It does not insure the payment of reasonable rents, however; it enables these fellows to get out without paying rents.

The CHAIRMAN. Complaint has been made frequently at this office that you hear, preferentially, complaints of people who feel they are paying too much rent. Hence you have considered the larger number, relatively, by a very large percentage of that class of claims and made the reductions, whereas you would have heard an equal number of owners of apartment houses who resisted it that it might be turned the other way and would show more increases than reductions.

Mr. SINCLAIR. That is not true; that is based on misinformation.

The CHAIRMAN. If that is carried along, Mr. Sinclair, the presumption in the first place is that you, members of this committee, Members of Congress, and public officials striving to do the best thing we can for all the people—

Mr. SINCLAIR. Exactly.

The CHAIRMAN. You are not to favor Senators, Congressmen, millionaires, or poor people, but to serve them all; and it is your business to adjust upon an equitable basis these rents and do it as expeditiously as possible. I take it for granted that you are doing the best you can with your force.

Mr. SINCLAIR. I think that is so.

The CHAIRMAN. Can you not say you are?

Mr. SINCLAIR. I know it is so; we are doing everything that is humanly possible.

The CHAIRMAN. That is fine; that is all that can be expected of you.

The next question is, of course, here is a case, filed May 13, 1921, a notable case set aside, nothing done with it. Improvements have been made in the apartment with the understanding and the acquiescence of the tenants that they would be glad to pay a little more rent; and instead of that the men have an investment and no return on it. That is the case of George W. Lincoln complainant against Michael Collins, defendant No. 3443, filed May 13, 1921. You are evidently short of help.

Mr. SINCLAIR. Has that been postponed?

The CHAIRMAN. It has not been heard.

Mr. SINCLAIR. Mr. Lincoln wants a hearing?

The CHAIRMAN. Yes; absolutely, for one year or more.

Mr. SINCLAIR. As a rule Mr. Lincoln does not want hearings.

The CHAIRMAN. I am speaking rather to defend you. I want you to understand that this is the idea, that you are not representing either side. I would like to have you state here about this: We get so many complaints, and then we get letters congratulating you and thanking God that you exist. There is one from a soldier who says that you reduced his rent \$25.

I want to ask you here before the country whether you have found any of these gross cases of exactions, these heartless men who have borne down upon the poor people to such a great extent. Does that prevail, or is that the common complaint of a tenant who becomes disgusted with things around his house or apartment because he does not get all he wants—and no one ever does get all he wants; and they have not any other place to get it, and they go after the landlords? I know landlords; and I know if they could get their money out of their property in many country towns they would do so. But can you find and can you relate to this committee about these stories printed in the papers and the letters we get about the horrible conditions that exist with reference

to these hard-hearted and cold-blooded, profiteering landlords? If you can, why do you not state it among the official family?

Mr. SINCLAIR. That does not apply to all; it applies, I hope, to the minority.

The CHAIRMAN. And you regulate that, where they undertake to impose upon poor people, so far as the law permits?

Mr. SINCLAIR. That is the effort of the commission.

The CHAIRMAN. And you undertake to say if we will give you adequate facilities you will clean this whole thing up?

Mr. SINCLAIR. Yes, sir; I thought you were asking whether that situation prevails now. My judgment is that the rents are about as high now as when this law was extended before, and the tendency is for the rents to go higher. But it is only in rare cases where there is any imposition, as shown by the records.

The CHAIRMAN. It is a mathematical proposition, and can be shown to have not been reduced much?

Mr. SINCLAIR. Yes.

The CHAIRMAN. And that there are only rare cases where these gross exactions occur?

Mr. SINCLAIR. They are right frequent.

Mr. REED. Part of them are sublettors?

Mr. SINCLAIR. Yes.

Mr. REED. Those are the most flagrant cases of profiteering I have heard of.

Mr. SINCLAIR. The law applies to them, too. The person subletting is the owner, within the meaning of the law, and the sublessee is the tenant within the meaning of the law. They get the same relief.

I did not answer one question, Mr. Chairman. Your question was, in effect, whether the cases of tenants seeking reductions in rents were given precedence over other cases. They are not. There are certain cases which are given precedence, however, over other cases.

Mr. MILLSPAUGH. Is that the Meridian Mansions?

Mr. SINCLAIR. No, sir.

Mr. MILLSPAUGH. And the Chastleton?

Mr. SINCLAIR. No, sir. They are the cases in which the bona fide owners of property are seeking to get possession of their property. They serve notices to quit, and under the rent statute the tenants have a right to dispute them, and we give those cases precedence over the rent-fixing cases. We think if a man in good faith desires possession of his house to live in he is entitled to withdraw it from the category of rental property and get possession of it, and as far as possible we give that sort of a case precedence over rent cases.

Mr. MILLSPAUGH. May I ask you what line of evidence you require from a man who has bought an apartment or a house to convince the commission he is in good faith?

Mr. SINCLAIR. We have no requirement; we decide the case on the evidence submitted to us.

Mr. MILLSPAUGH. If a man comes before this commission—I asked you this question last fall and I was unable to get an answer, and I am going to repeat it; you can answer this yes or no—and makes affidavit that he bought a certain house and wants it for his own use to live in, will the commission accept that?

Mr. SINCLAIR. Not his affidavit; he would have to come down and be sworn.

Mr. MILLSPAUGH. When he makes an affidavit he is sworn.

Mr. SINCLAIR. No; you must come as if you are giving testimony in court. If you mean an affidavit literally, we could not consider that.

Mr. MILLSPAUGH. If I come into court and file an affidavit with your commission and say: "Mr. Commissioners, I have bought this property, and here is my sworn affidavit that I am going to move into and live in it." Will you accept it?

Mr. SINCLAIR. If you do that and convince us.

Mr. MILLSPAUGH. How am I going to convince you?

Mr. SINCLAIR. If you come in and by testimony show to us that you are a bona fide owner of that property and that you are seeking it in good faith for actual and bona fide occupancy, by yourself, your wife, children, or dependents, or that you want it for the purpose of tearing it down in order to construct new rental property, you will not have a bit of trouble.

Mr. MILLSPAUGH. How in the name of heaven am I going to tell you if I can not make an affidavit?

Mr. HAMMER. No rule of any court in the world would permit the introduction of that sort of ex parte evidence.

Mr. MILLSPAUGH. How am I going to know what to do?

Mr. HAMMER. Proceed as if they were to try the case.

Mr. MILLSPAUGH. How am I to prove it?

Mr. HAMMER. By an orderly hearing of both sides in the trial of the case.

Mr. MILLSPAUGH. How am I going to prove my claim?

Mr. HAMMER. You have got to have a trial to determine the issues raised.

Mr. MILLSPAUGH. What makes evidence? That is what I am asking now. I asked him that question last fall, and he did not answer, and I am asking him again now.

Mr. SINCLAIR. My examination was interrupted, was stopped rather abruptly when I was up here before, and I did not intend to refrain from answering your question. That is an ordinary question, and I can answer it.

Mr. MILLSPAUGH. All right; let us have it now.

Mr. SINCLAIR. It is easier than you think.

Mr. MILLSPAUGH. I hope so.

Mr. SINCLAIR. The owner is not complainant in the case involving the dispute of a notice. The commission holds that the burden of proving that the owner does not want it for his own bona fide occupancy is upon the tenant, and if the tenant fails to establish that by the preponderance of the evidence the owner gets possession. We require the tenant to show that the owner does not want it for the purpose stated in the notice to quit served upon the tenant.

Mr. MILLSPAUGH. All right. I have case after case right in this file now where men have made affidavit, and there is no evidence that is worth anything to show that they did not want it for their own purpose, and the commission says, "You are not in good faith."

Go ahead. You have not answered me yet.

Mr. SINCLAIR. I think I have.

Mr. MILLSPAUGH. That is my objection to the commission.

Mr. SINCLAIR. You can not tell anything about that from the papers submitted to you. The Rent Commission hears the witnesses, observes their demeanor on the stand, and weighs their testimony, and that is a very important consideration. In many cases, on the surface, the evidence shows that the owner is seeking possession in good faith for his own occupancy, but we find the fact to be that he either wants to get the tenant out in order to increase the rent or to punish the tenant for coming before the Rent Commission and asking the Rent Commission to fix his rent.

Mr. MILLSPAUGH. When some timid widow, who buys a piece of property comprising five or six apartments, and puts all of the money she has in it, and comes before the commission she has to hire an attorney.

Mr. SINCLAIR. No; she has not got to hire an attorney.

Mr. MILLSPAUGH. What could a timid woman do up there among a lot of tenants clamoring if she did not have an attorney? She comes before your commission and she says to them, and she makes her affidavit that she wants that apartment or house to move into, and the tenant gets up and says she does not.

Mr. SINCLAIR. But the tenant gets up. The burden of proof is upon the tenant, and if the tenant does not prove—

Mr. MILLSPAUGH (Interposing). How in the name of heaven is the tenant going to prove she does not want it?

Mr. SINCLAIR. In the generality of cases he can not do it.

Mr. MILLSPAUGH. There is too much generality. I asked you that question last fall, and I want to know how.

Mr. SINCLAIR. The rent statute requires the landlord seeking possession of a property for his own occupancy to serve a certain kind of notice to quit upon the tenant.

Mr. MILLSPAUGH. Yes.

Mr. SINCLAIR. The notice must contain a full and correct statement of the facts and circumstances upon which it is based. That is for the information of the tenant, to enable the tenant to investigate and decide as to whether he shall file a dispute of that notice before the Rent Commission and to investigate and ascertain and determine whether the statements made in the notice are correct, and when the case comes on for hearing we call Mr. Tenant and ask: "You live in such and such an apartment; you rent from so-and-so. In your complaint here you say that you have received a notice to vacate that property?" "Yes." "What evidence have you to submit to the Rent Commission to show that the owner of this property does not desire it for the purpose stated in the notice?"

In the great majority of cases the tenant can not submit such evidence. The burden is on him, and if he cannot, after receiving that 30 days' notice, investi-

gate and find out that the statements with reference to securing possession by the owner for his own actual bona fide occupancy, is not true, then the owner will get possession of his property.

Mr. SPROUL. Mr. Chairman, it is now 5 o'clock. Mr. Humphrey wants just about one minute, and I would suggest that you grant him the time now.

Mr. MILLSPAUGH. All right. But I am not through.

The CHAIRMAN. A question has been raised about expediting business and getting through with the cases. Here is one you have heard away back on March 14; you have not rendered a decision in this case all this time. If you have heard it, why do you not render a decision?

Mr. SINCLAIR. We have been trying them faster than we could render decisions. If that has not been decided, it is probably waiting an opportunity to go and inspect before disposing of it.

The CHAIRMAN. When do you think you will do that?

Mr. SINCLAIR. We are devoting all of our time to these things in order to do them expeditiously as possible.

Mr. MILLSPAUGH. Does this record quote you correctly—this is from the Senate hearing: "As I stated, I am not familiar with the exact situation at the time the act was passed. But in the conduct of the affairs of the commission, the work of the commission, we found at the beginning that the rents were unreasonable and excessive here, and they have continued to be unreasonable and excessive, and are just as high now, in my opinion formed from hearing the testimony from time to time in these cases as they were then." Are you correctly quoted there?

Mr. SINCLAIR. Yes.

Mr. MILLSPAUGH. Then, what has the Ball rent act done?

Mr. SINCLAIR. When was that made?

Mr. MILLSPAUGH. Last fall.

Mr. KELLER. That is very easy to answer. That is just common sense.

Mr. HAMMER. If there has been delay in that case in March, when you do render a decision, the relief, if granted, is retroactive from the filing of complaint, the commencement of the action?

Mr. SINCLAIR. Yes.

Mr. HAMMER. Another question about this bill: These tenants tell me that they tried to get the landlord to permit them to pay money impounded for their rent. There was complaint this morning that irresponsible tenants would not pay rent, that the rent would stop when they filed these complaints and that they would get out and never did pay it. But the tenants tell me, in that same place, the Monmouth, that they have tried to impound the money that it is complained they did not pay, and that the purpose of these landlords is to create sentiment here against the act by refusing to take it in order to get public sentiment on their side, just as they are staying away at this hearing. They were here in great force last summer.

Why could we not put in this bill a provision requiring the rent to be impounded each month when a complaint was made? Do you not think that would help the situation very greatly?

Mr. SINCLAIR. That might be the tendency of the complaints before the Rent Commission, but asking the Rent Commission to fix rents does not justify the tenant in stopping the payment of rent.

Mr. HAMMER. I know, but supposing the tenant does it?

Mr. SINCLAIR. Then he is subject to eviction.

Mr. MILLSPAUGH. And if that fact were made know, you would evict him?

Mr. SINCLAIR. Yes; for nonpayment of rent.

Mr. MILLSPAUGH. If he can not reach his case for seven months—

Mr. SINCLAIR (interposing). I know. We can not evict anybody. I said he could be evicted on seven days' notice for nonpayment of rent proceeding through the municipal court.

Mr. MILLSPAUGH. The municipal court will not act because the matter is before the Rent Commission.

Mr. SINCLAIR. For what reason?

Mr. MILLSPAUGH. That is what they say.

Mr. HAMMER. Then why not obviate and get rid of all that trouble by making a provision to impound the fund with the owner or some court official?

Mr. SINCLAIR. There is a confusion here as to the kind of case. If there is a dispute of a notice to quit pending before the Rent Commission, the municipal court will not do anything toward evicting the tenant until that dispute is settled; but if there is no such dispute pending before the Rent Commission,

but merely a petition to have the rent fixed, and the tenant stops the payment of rent upon the filing of such petition, then he can be evicted for nonpayment of rent by municipal court proceedings. There is no question about that.

Mr. HAMMER. Referring to section 117, I want to ask you if we could not cut out that whole section or a part of it? Under that section you can require specifications and plans of an engineer at a cost of \$400 or \$500, I am told, for one of these large apartment houses, when the complaint is filed. Why should you do that? Why not cut that part out and leave it to your discretion whether you require the printed form or not, and to conform to the circumstances and the necessities of the case?

Mr. SINCLAIR. We made standard forms of leases. You do not mean to cut out the whole thing?

Mr. HAMMER. I mean to cut out that part of the section, as to iron-clad procedure at least, as it is absolutely useless and of no value, in my opinion. It says, "You shall prescribe a standard form," and you not only prescribe a standard form, but frequently you require these owners of apartment houses to file specifications and map made by an engineer, and require a survey setting forth and specifying particular plats like you do in surveying land, which in Washington costs no inconsiderable amount of money.

Mr. SINCLAIR. But we do not insist upon compliance with that.

Mr. SPROUL. Then why have it in the bill?

Mr. HAMMER. Why not cut it out and leave you discretion, if you see fit to require it?

Mr. SINCLAIR. I think perhaps that would be a good thing.

Mr. SPROUL. If I am the landlord of a building 20 years old, the plans of which have been destroyed, according to that section there you can compel me to get a draftsman or an architect and make a set of plans and submit them to you at any expense of maybe \$500 or \$600.

Mr. SINCLAIR. If this is amended so as to give us power to fix rents on our own initiative—

Mr. HAMMER. You have got that power already.

The CHAIRMAN. You answered very readily, but did not happen to be to this point: This is a question of possession I am speaking of. Do you make any difference in the consideration of possession over one of rent?

Mr. SINCLAIR. Oh, yes; we give those precedence.

The CHAIRMAN. Here is one we would like to have fixed up to enable the owner to get possession. I refer to the ——— case, which seems to me very important.

Mr. SPROUL. I think I will object to that.

Mr. SINCLAIR. I recall that case. We have been talking about it this week. That is what they say; it has been all talk. [Laughter.]

Some of these questions are very difficult of settlement.

The CHAIRMAN. Why do you not say yes or no? You are doing the best you can. Give them that. Tell them it is a new thing and hard to accomplish, and that if you have cooperation you will succeed better. I do not think you have done much to date, and I would admit it. That is what I would say and let it go at that.

Mr. MILLSPAUGH. I hate to insist on this point, but I have got to do it. I want to know from you why, if a man buys a piece of property, his affidavit is not good. He can be prosecuted for perjury, can he not?

Mr. HAMMER. I want you to desist. Any court would make you desist.

Mr. MILLSPAUGH. I do not care. I can laugh at the court. You are in the position of a man coming in on an Ex parte affidavit and getting relief without notifying the adverse party.

Let me tell you something. Courts can be laughed at occasionally. The Supreme Court of the State of Missouri took occasion at one time to castigate me very severely because I prosecuted a man for abandoning his child when it had pneumonia, and the Supreme Court of the State of Missouri castigated me severely for it. Thank God, I would do it again. I did not care how many courts would laugh at me.

Mr. SPROUL. I am going to renew my motion that we give Mr. Humphrey one moment and then adjourn to take this hearing up at 10 o'clock Monday.

Mr. HUMPHREY. Mr. Chairman, I just wish to supply an oversight on behalf of Mr. Sinclair. When he read that letter from Edgar S. Kennedy to the assessor he neglected to read the rest of the letter in reference to the affidavit attached to it, which I think ought to go in at this time.

Mr. SINCLAIR. It is attached to that—the affidavit.

Mr. HUMPHREY. You did not read the testimony Kennedy gave on that subject?

Mr. SINCLAIR. No; if you want the testimony, I did not have that.

Mr. HUMPHREY. I have got no criticism to make, but a judge usually submits all the evidence when he is telling how he reaches a decision. Here is the explanation that Kennedy gave:

"In July, 1918, at the time this letter was written to the commissioners—

That is the one Mr. Sinclair read—

"Protesting against the proposed assessments, the accounts were far from complete, and the only source of information upon which witness could base a protest was his books. He went to his bookkeeper and obtained a statement as to what was paid and what was to be paid, so far as he could see at that time, for the completion of the work, and the list of items was furnished him, upon which his letter was based, which list of items was thereupon produced by the witness. He did not know actually what the cost of this building would be until some time in June, 1920, nearly two years after this statement was made, because there were a lot of subcontractors who had bills of extras that had not been checked and settled, and many of these items ran much higher than it was thought they would at the time this letter was written."

And then they produced a statement in detail as to what the cost was.

Mr. SINCLAIR. May I make just one statement in that connection? You will observe I stated the commission considered the paper I read and the one attached to it along with the other evidence. I did not have the benefit of the evidence you read when I presented that letter.

Mr. HUMPHREY. I said when I got up that you had omitted it, and that I wanted to put it in.

The CHAIRMAN. The committee will now adjourn to meet at 10 o'clock Monday morning, May 1.

(Thereupon, at 5:28 o'clock p. m., the committee adjourned to meet Monday, May 1, 1922, at 10 o'clock a. m.)

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COMMITTEE ON THE DISTRICT OF COLUMBIA,  
HOUSE OF REPRESENTATIVES,  
*Washington, Monday, May 1, 1922.*

The committee this day met, Hon. Loren E. Wheeler presiding.

Mr. WHEELER. The committee will come to order. Mr. Sinclair did not complete his statement at the last meeting and he is here this morning.

**STATEMENT OF MR. A. LEFTWICK SINCLAIR, CHAIRMAN RENT COMMISSION, DISTRICT OF COLUMBIA.**

Mr. SINCLAIR. I had about finished except that there was a little information that I had to complete upon examination of the record the other day, and I wish to furnish that now.

In the first place, I want to say that the complaint of Chief Justice Smythe was filed against Harry L. Rust, real estate agent, August 4, 1921, the number of the case being 4340. The complaint filed by Senator Culberson against Rust was filed October 27, 1921, and the number of that case is 5140. The cases were filed by the owners against the five Senators whose names were given the other day as follows: Case 4660 was filed by Kennedy Bros. against Jones, September 16, 1921; case 4661 was filed by Kennedy Bros. against Walsh, September 16, 1921; case 4662 was filed by Kennedy Bros. against Kendrick, September 16, 1921; case 4975 was filed by Kennedy Bros. against Thomas, October 14, 1921, and case 4976 was filed by Kennedy Bros. against Harris, October 14, 1921.

Those are the seven cases to which I referred the other day. The proceeding started by the commission to fix the schedule of rents for the entire building is known as case 5117. It was begun October 29, 1921. On that date the commission decided to fix a schedule of rents for the apartment house and set the case for hearing November 10, 1921. I was wrong as to the time of notice given, which was 30 days.

Mr. MILLSPAUGH. How many days was it?

Mr. SINCLAIR. The notice was sent out October 29, in which the hearing was fixed for November 10—so it was 10 or 11 days—and notified owners and tenants. Hearing was begun that date, November 10, 1921.

Mr. Millspaugh called my attention to a notice which appears in the record of this case in the court of appeals. I wish to explain that on November 16, 1921, notices were sent to the tenants of 1640 Kalorama Road, Meridian Mansions, to appear November 22, 1921. Those notices were sent out at this time because it developed during the hearings that Kennedy Bros. had not given the commission the names of the tenants at 1640 Kalorama Road when the names of the other tenants were submitted. The day for the hearing of those tenants was fixed with the consent of counsel for Kennedy Bros.

With reference to the efforts of the Rent Commission to secure data and information with a view to fixing rents upon their own initiative under authority given the commission by the rent statute, I want to say that during the summer of 1920 the owners of all the 600 or more apartment houses in the city of Washington were requested to furnish data and information to the commission, request being made by James F. Oyster, then chairman of the commission. Of the total number of apartment houses requested to furnish this data and information, 46 owners complied with the request, of which number 21 were incomplete and of no real value. Since the 1st of June, 1921, the present Rent Commission has requested the owners of the following-named apartment houses for information:

The Alverta, the Ambassador, the Ashley, the Aurora, the Beacon, the Calverton, the Carlton, the Chastleton, the Christiana, the Cliffbourne, Clifton Terrace, the Coronado, the Don Carlos, 1812 Vernon Street NW., 1860 California Avenue NW., 1868 Columbia Road NW., the Emerson, the Fillmore, George Washington Inn, the Hadleigh, the Imperial, Kalorama Terrace, the Knickerbocker, the Lester, the Lonsdale, the Loraine, the Maderia, the Marne, Meridian Mansions, the Mintwood, the Moulton, 1929 Sixteenth Street NW., Northbrook Courts, the Oakland, the Pentilly, Pelham Courts, the St. Nicholas, the Savoy, the Stanley, Tudor Hall, the Ward, the Westmoreland, Willard Courts, the Willson, the Winton, the Wood.

Of the 46 requests for information, the owners of the following apartment houses complied with such requests: The Ambassador, the Christiana, the Lester, the Maderia, Meridian Mansions, Pelham Courts, and Tudor Hall.

Mr. MILLSPAUGH. When was that notice sent out?

Mr. SINCLAIR. We commenced sending them out the 1st day of June, 1921.

Mr. MILLSPAUGH. Was your docket crowded at that time?

Mr. SINCLAIR. Not very. That was at a time when there was a falling off in the cases. There was great uncertainty at that time on account of the litigation over the question of the constitutionality of the law, and then, too, the time for expiration of the act was approaching.

Mr. MILLSPAUGH. Had the Supreme Court passed on the validity of the act at that time?

Mr. SINCLAIR. I forget when that decision was made.

I want to say in reference to this particular case that you will observe that the first complaint concerning Meridian Mansions was filed August 4, 1921. That case would have been reached in the regular order by the time the other cases came on for hearing on November 10. There was over three months intervening between the time of the filing of the Smyth case, the first complaint filed in the Meridian Mansions case, and the date of the commencement of the hearing, November 10, 1921.

Mr. MILLSPAUGH. As a matter of fact, however, nothing was done with this until these others were filed in the latter part of October?

Mr. SINCLAIR. It would have come on about that time, in the regular course. The others would not have come on until later.

Mr. MILLSPAUGH. You are not answering my question.

Mr. SINCLAIR. I am certainly making an attempt to answer. I am afraid you do not understand the *modus operandi*.

Mr. MILLSPAUGH. I am sure I do not. Let me make this question clear to you. You are seeking to justify yourself on this Meridian Mansions hearing by stating that Justice Smyth's petition was filed August 4, 1921?

Mr. SINCLAIR. Yes, sir.

Mr. MILLSPAUGH. My question to you is, as a matter of fact, however, no action had been taken on Justice Smyth's petition in any manner, shape, or form until the petitions were filed against Senators Jones, Walsh, and Kendrick, September 16, 1921?

Mr. SINCLAIR. That is true; but it would not have been reached before that; it would have been reached about November. That one case and the other cases would have been reached later.



Mr. MILLSAUGH. You do not mean to say that the cases against Jones, Walsh, and Kendrick would have been reached in November?

Mr. SINCLAIR. No; later. But the Smyth case would have been.

Mr. MILLSAUGH. As a matter of fact, did you not, as chairman of the commission, state to an attorney for Kennedy Bros. that the case would not be heard until in January, and then on the 27th of October the commission very quickly fixed the hearing for 10 days later and that the attorney for the Meridian Mansions in talking with you over the telephone and telling you that it would be difficult to prepare the case in the 10 days that you had given, that you voluntarily told him that the commission did not desire to grant any postponements in this case?

Mr. SINCLAIR. I may have said something about postponements, but I could not have said it would be January. This was the situation at that time, the time that the case was set for hearing.

Mr. MILLSAUGH. I have this memorandum: "In order to keep track of when the cases were to be tried, Mr. Rowland made inquiry from time to time of the chief clerk of the Rent Commission and was repeatedly informed in the month of October by the chief clerk that the cases would not be reached for trial until some time after the 1st of January." An inquiry having been made by him of the clerk the above-named answer was obtained, so many days before the end of October?"

Mr. SINCLAIR. I can not answer for the chief clerk, but I can say this for the chief clerk, that she informed me Saturday that this case of Smyth v. Meridian Mansions would have been reached in its regular order by the time all the cases were set for hearing, November 10, 1921. In the Smyth case the chief clerk may have assumed that all of them would be taken up together before the commission had decided to put the cases down on its own initiative, and in that view might have expressed that opinion to somebody. But the Rent Commission did not decide to take up this case on its own initiative until on or about October 29, and the reason it was so late was, we had difficulty in getting the names of the tenants from the Kennedy Bros. They sent in some information in response to the order to produce data and information, but that was one of the apartment houses that failed to send us the most important information, to wit, the names of the tenants who were entitled to notice of the hearing. I remember calling up the Rust Co. several times and asking them about the names of those tenants.

Mr. MILLSAUGH. How does it happen that you called up the Rust Co. and asked for the tenants of the Meridian Mansions when you had a list there of quite a number that you asked for at the same time who did not respond and never have responded?

Mr. SINCLAIR. I say they did not give us any information at all.

Mr. MILLSAUGH. I am going to be frank with you. I am going to ask why you called up the Rust Co. to get the names of tenants in the Meridian Mansions occupied by Senators and millionaires while these others that were just plain people were not?

Mr. SINCLAIR. I want to answer that plainly.

Mr. MILLSAUGH. All right. That is what I want.

Mr. SINCLAIR. We had called on the Meridian Mansions, as we had called on the others, to give certain information. There were certain complaints filed in the Meridian Mansions case, one of which was to be reached for trial in a short time, and we had decided that if we went in there we would fix the rents for the whole apartment house in order to save time which might be given to other business. We knew that even if we took up the case of Chief Justice Smyth only, it would require almost as much time to pass upon that as to pass upon and fix the rents for the entire building; because Kennedy Bros. would have been there with their counsel and would have called all their witnesses, as many witnesses in all likelihood as they called in the other case, and it would have consumed just about as much time to hear that case as to hear evidence as to the whole apartment house. As I said the other day, it would have been incumbent upon the Rent Commission to go into the question of the fair and reasonable value of that property, and in the cost of operating it, in the case of Culberson against the owners, and the five other cases of the owners against those Senators.

Mr. MILLSAUGH. You had complaints from other apartment houses, did you not?

Mr. SINCLAIR. Yes, sir.

Mr. MILLSPAUGH. How did it happen that you did not call up those apartment houses to get the same information that you called for the Meridian Mansions, as you stated in your testimony?

Mr. SINCLAIR. We had asked a number of apartment houses to furnish it.

Mr. MILLSPAUGH. You called on the Meridian Mansions several times?

Mr. SINCLAIR. Among the apartment houses called on was the Chastleton.

Mr. MILLSPAUGH. That is occupied by millionaires and Senators largely.

Mr. SINCLAIR. You are very much mistaken. We have not found that to be so. It is occupied by Army and Navy officers and by Government workers—two and three girls living in an apartment, and more in some of them. You have the wrong idea about the Chastleton.

Mr. MILLSPAUGH. Do you think that Justice Smyth was being hurt more than anybody?

Mr. SINCLAIR. Not at all, but he had a case there, and the Rent Commission was not appointed to ignore the complaints of men who have the reputation of being millionaires or who happen to be Senators or Members of Congress or Government officials, any more than the complaints of other renters in the District of Columbia.

Mr. MILLSPAUGH. Some of them occupied two or three apartments.

Mr. SINCLAIR. Justice Smyth was just as much entitled to have the rent fixed in the case which he started August 4, 1921, and which would have been reached for trial as early as November 10, 1921, as if you had filed it. In thus referring to you, I am assuming that you are not a millionaire.

Mr. MILLSPAUGH. You heard him before then, two months before January 10. You heard him November 10.

Mr. SINCLAIR. Did I say January 10? I said November 10.

Mr. MILLSPAUGH. Now, then, this question in regard to Justice Smith or Smyth.

Mr. SINCLAIR. I have heard it pronounced both ways.

Mr. MILLSPAUGH. Presiding justice of the court of appeals.

Mr. SINCLAIR. Yes, sir.

Mr. MILLSPAUGH. Having fixed his rent, the Rent Commission fixed it, Kennedy Bros. appealed this case?

Mr. SINCLAIR. Yes, sir.

Mr. MILLSPAUGH. They appealed to the court of appeals, although Justice Smyth was the presiding justice.

Mr. SINCLAIR. Yes, sir.

Mr. MILLSPAUGH. Has Justice Smyth a right pending that appeal to pay only the rent that the Rent Commission determined?

Mr. SINCLAIR. Yes, sir. He pays the rent. The law says that the determination shall be effective from the date it is filed, notwithstanding the appeal, but if the case should be reversed by the court of appeals, the rent would have to be adjusted.

Mr. MILLSPAUGH. That is the point I made. Justice Smyth is able to do it. But I will take a case of a poor fellow, we will call him John Doe, who is not able, I mean that has no property, that the landlord could attach or could secure payment for. Then if the Rent Commission names a rent and the court of appeals determines afterwards that was unjust or inadequate, what recourse has the landlord if the case has run for six or eight months and if he had the balance of the rent due him?

Mr. SINCLAIR. The law applies to all alike. It applies to rich and poor.

Mr. MILLSPAUGH. It does not apply to landlords alike?

Mr. SINCLAIR. Yes, sir; to landlords alike.

Mr. MILLSPAUGH. How does it do it when a man goes to the court of appeals, as was done in several cases, and it determines that the Rent Commission's findings were not proper; then the landlord has no recourse on the tenant?

Mr. SINCLAIR. He could collect.

Mr. MILLSPAUGH. How can he if he has not got it?

Mr. SINCLAIR. There is a section that applies to that case in the law.

Mr. MILLSPAUGH. That is a smoke screen.

Mr. SINCLAIR. I do not think it is.

Mr. MILLSPAUGH. If a man has no money or property, how is the landlord going to get it?

Mr. SINCLAIR. It is not fair to assume that the tenants as a class are dishonest and will not meet their obligations.

Mr. MILLSPAUGH. I am not assuming that.

Mr. HAMMER. Is there no provision requiring the tenant to give bond?

Mr. MILLSPAUGH. No.

Mr. SINCLAIR. It requires bond on appeal in those cases and it requires bond for costs in the rent cases; that is the only provision.

Mr. HAMMER. Is there no provision for bond for payment of rent?

Mr. SINCLAIR. No.

Mr. HAMMER. Let us require that. We can amend the law to perfect it in that particular.

Mr. SINCLAIR. That is not to be settled by the Rent Commission. Congress passed the law.

Mr. MILLSPAUGH. Does the Rent Commission have in its files the original or the copy of the contract between the tenants in the Meridian Mansions and the Kennedy Bros.?

Mr. SINCLAIR. The originals or the copies?

Mr. MILLSPAUGH. Of either of the contracts?

Mr. SINCLAIR. Copies of the leases; yes, sir; but I do not know whether originals or copies.

Mr. MILLSPAUGH. I do not care which they are.

Mr. SINCLAIR. My recollection is that all of the originals or copies of the leases were introduced in evidence at the hearing of that case.

Mr. MILLSPAUGH. At some future sitting will you be kind enough to produce those? I would like to have them before the committee.

Mr. SINCLAIR. Very well, sir. Are they not in this voluminous record in the court of appeals, Mr. Rowland?

Mr. ROWLAND. There is a sample of the lease which was signed by all of the owners in the transcript in the court of appeals, together with the list of tenants who signed those leases, but it is not part of this hearing.

Mr. SINCLAIR. That doubtless answers Mr. Millspaugh's purpose, if they have one there.

Mr. MILLSPAUGH. Are they all alike?

Mr. SINCLAIR. All alike. He has it in that bound volume there.

Mr. HAMMER. In what cases, and what parties are required to give bond under the law?

(Mr. Reed presiding.)

Mr. SINCLAIR. There is no provision in the law for the giving of bond. The court of appeals passed an order making a rule in regard to appeals from the other courts to the court of appeals applicable to appeals from the Rent Commission.

Mr. HAMMER. They require it?

Mr. SINCLAIR. We conform to that ruling; the general rule passed by the court of appeals in a case where rent has been fixed and an appeal made from the determination the commission simply fixes the amount of costs only for the reason that the statute declares that no appeal shall operate as a supersedeas in that sort of a case.

Mr. HAMMER. Is there any instance in which the landlord is required to give a bond in an appeal for the costs?

Mr. SINCLAIR. The landlord in this case simply gives a \$50 bond.

Mr. HAMMER. For costs?

Mr. SINCLAIR. Yes.

Mr. HAMMER. Are tenants required to give bond for costs?

Mr. SINCLAIR. Yes.

Mr. HAMMER. Don't you think the law would be materially benefited by protecting the landlord to this extent by requiring the tenant who complains of his rent to impound or to pay into a fund the amount of his rent each month until the suit is terminated or give a bond for it?

Mr. SINCLAIR. I have always thought that some provision should be in the law to that effect.

Mr. HAMMER. Why is it in the Senate with all the hearings there, no provision was made to provide for that which appears to be a discrimination against the landlord, and why is it the landlords wait until this late hour to make this complaint?

Mr. SINCLAIR. I do not recall that that question ever came up.

Mr. HAMMER. It ought to come up. It is coming up now. I ask these questions seeking to get information.

Mr. MILLSPAUGH. I think members of the committee were insistent that we report this bill out at once without hearings, that the Senate hearings were enough. I am asking you as a member of the committee if this committee has not brought up some data that you never knew of?

Mr. HAMMER. Yes; and I opposed this long hearing, because I felt the purpose was to kill the bill, but I want to amend the bill to protect all interests.

Mr. SINCLAIR. I was not asked any question about that by any member of the committee.

Mr. MILLSPAUGH. No; I did not ask it.

Mr. HAMMER. I want your opinion, if you care to answer it. You may be in a position as a member of the commission and you may not care to answer it. I see that in the Senate the bill was amended to include hotels as well as business houses. Do you think that provision made on the floor of the Senate and not by the committee is an improvement to the bill?

Mr. SINCLAIR. If you include hotels, it is going to increase the work of the commission.

Mr. HAMMER. Don't you think that ought to be retained, that that is one of the most serious troubles we have now to contend with—hotels charging more than 100 per cent for rooms above what was the charge prior to the war, and the very same buildings?

Mr. MILLSPAUGH. Will you yield? We have not examined that feature in regard to hotels.

Mr. HAMMER. Now, we have.

Mr. MILLSPAUGH. I think you are right, if I am not mistaken, that it does not allow the commission to fix the rates on rooms, but requires the hotels to name their rates, publish them, and not to deviate from them.

Mr. SINCLAIR. But approve the schedule.

Mr. MILLSPAUGH. I do not hardly think that is in there. It does not change the schedule under the bill.

Mr. HAMMER. It enables the commission to determine it. Mr. Sinclair, I will ask this for information.

Mr. SINCLAIR. Yes, sir.

Mr. HAMMER. It appears here that apartment houses have some relation to apartment hotels. I have lived in this city in an apartment house that has been changed into an apartment hotel. Under this definition it strikes me that there ought to be a law defining what constitutes an apartment house and what constitutes a hotel.

Mr. SINCLAIR. I understand Kennedy Bros. are going to convert Meridian Mansion into a hotel.

Mr. HAMMER. For that very reason I am asking you if you do not think this committee ought to include hotels and then if they are in the same position with apartment houses to require the commission to regulate rates for them. Do you not think so?

Mr. SINCLAIR. Of course, I have never been able to see the distinction.

Mr. HAMMER. We have arms conferences and other meetings and the hotel rates are immensely high. I had a constituent that could not get a room except two small rooms at \$10 a day in a very ordinary hotel. I finally succeeded in getting rooms at a somewhat more reasonable rate.

Mr. KELLER. It would be a question for this committee, if there is such a condition, to extend this law. This committee ought to determine first the facts whether there is such a condition before it extends this law.

Mr. HAMMER. That is what I am asking, his opinion.

Mr. KELLER. It is pretty hard for him to give an opinion.

Mr. HAMMER. I do not know whether he ought to give it.

Mr. SINCLAIR. I am not as familiar with the hotel situation as I am with regard to the conditions respecting apartment houses and dwellings.

Mr. MILLSPAUGH. Do you feel that this commission would be competent to handle the situation if hotels were put under its jurisdiction?

Mr. SINCLAIR. Not if half of what Mr. Humphreys said is true; we are not competent to discharge our present duties. Mr. Humphreys, by the way, is one of the millionaires whose rent we reduced from \$155 to \$140 per month.

Mr. HUMPHREYS. If I had still been a Member of Congress you would have reduced it twice as much.

Mr. SINCLAIR. According to your opinion.

Mr. HUMPHREYS. I happen to be in the wrong row, that is all.

Mr. MILLSPAUGH. But you gave a case here Friday, in which the commission held a hearing for decision on March 14, 1922, at which time you stated those cases were given preference, of course. The case was that of George W. Linkins v. Stella W. Waters, No. 5389, at which time you stated you would look it up, and the chairman asked you to do it. This morning the parties are in

receipt of another notice from the commission calling another hearing for Tuesday, May 2.

Mr. SINCLAIR. Yes, sir. Permit me to explain that.

Mr. MILLSPAUGH. Yes.

Mr. SINCLAIR. That was done for the reason that the commission could not agree upon a decision in that case without hearing additional evidence. If we were to decide that case now, we would hold that the man was not entitled to his property.

We have got to pass upon the good faith of that demand. We fixed the rent for that property, occupied by Mrs. Waters, and we passed on one or two notices. We heard some testimony in that case, and we were not satisfied as to the good faith involved in that case and put it down at as early a date as possible, to-morrow. We did that Saturday and sent out notices.

Mr. MILLSPAUGH. All right. In view of that, what do you think of the recommendation of the District Commissioners, No. 4, in regard to this bill, in which they said that the law should be so amended as to make it practicable and inexpensive for the bona fide purchasers of property to get possession of such property without delay, to avoid all possibility of mischance, the law should provide that in such cases the applicants or purchasers will in good faith occupy the property and machinery should be provided to verify this fact?

Mr. SINCLAIR. Now you have pretty good machinery provided.

Mr. MILLSPAUGH. Now?

Mr. SINCLAIR. Yes, sir.

Mr. MILLSPAUGH. I am glad you made that statement.

Mr. SINCLAIR. There certainly ought to be 30 days' notice to quit, given by the owner to the tenant. Is there any question about that?

Mr. MILLSPAUGH. None.

Mr. SINCLAIR. That provision in the law was made to prevent the landlord from putting the tenant out after he applied to the Rent Commission to have his rent fixed or to put him out in order to get a higher rent for the property from some other person. The rights of the tenant must be protected, and any person buying property, according to the statute, must take it subject to the rights of the tenant under this law. If I may call your attention to the provisions of the law: If you serve a notice to quit on me, I can go before the Rent Commission and raise any one or all of three questions. I can dispute the legal sufficiency of the notice served upon me. I can dispute the propriety of the service of the notice, and I can dispute the good faith, your good faith in giving me that notice to vacate. The statute does not say when that dispute must be made. There is no limitation on the time within which the tenant may dispute the notice. The Rent Commission has held, however, that the tenant, a tenant desiring to dispute a notice to quit, must do so before the notice expires. There is an amendment in the bill under consideration here which provides that the notice must be disputed, or the dispute must be filed with the Rent Commission before the notice expires, to conform to the rulings of the Rent Commission. Upon filing the dispute of the notice, copy of the dispute and summons are sent out to the landlord by the Rent Commission. The Rent Commission sends out the notices and not the complainants themselves. Then I think the time allowed in that sort of a case for the filing of an answer to the tenant's dispute is 5 days; in rent cases it is 10 days. Upon the filing of the answer, the case is at issue. It comes on for hearing. You are notified; I am notified to come down there, and the Rent Commission says, "Mr. Sinclair, you filed a complaint here disputing Mr. Millspaugh's notice to quit. Have you that notice here?" Sinclair produces his notice and explains when and in what manner the notice was served. The Rent Commission says—

Mr. HAMMER (interposing). I do not mean to interrupt, but I think the procedure of courts is fairly well understood, and unless there is some special thing you desire to bring out, you should proceed. That is just ordinary court procedure. I want economy of time, unless it is objectionable to you gentlemen, and in that event I desire to say we should expedite matters more than is now being done.

Mr. MILLSPAUGH. If he is going to answer the question I propounded to him, how can a landlord get possession of the property if he has bought it. I want him to answer it, and he seems to be moving along that line.

Mr. HAMMER. That is a matter of procedure purely, which the law provides.

Mr. MILLSPAUGH. Yes.

Mr. HAMMER. I have never found fault with that procedure.

Mr. MILLSPAUGH. How they get possession?

Mr. HAMMER. Yes, sir.

Mr. MILLSPAUGH. I am asking him about it, how he can get possession of the property for his own use. One of the aspects of the case is whether he is acting in good faith.

Mr. HAMMER. Of course, if the other party is not acting in good faith as to the tenant, and no tenant comes in, the commission has to consider that question. They ask if the commission will lower the rates and the commission does so, and then the landlord cuts off the lights in every room in some instances; of course, the commission is justified in saying that it was not in good faith when the landlord resorted to such tactics as that.

Mr. MILLSPAUGH. That is one case.

Mr. HAMMER. You have heard only one side of that case; the other side may come in in the Meridian Mansions case and show their side of it. The witnesses are here to say they discriminate in the case. I have no doubt in the world that the commission when they do believe in the good faith will restore the property to the landlord. There are many cases in which there may be the question of good faith. The commission can exercise their own good judgment on that.

Mr. MILLSPAUGH. I am still trying to find out any method whereby a man may determine or may convince the Rent Commission after he buys a piece of property that he is going to occupy it. I take this stand, you can not prove a negative. If I come and make an affidavit before the Rent Commission that I want that for my own use, how else under the name of heaven am I going to prove to them that I do want it, or how is the tenant going to prove I do not want it? I want to get a uniform basis on which to work.

Mr. HAMMER. I understand it is done in the same way as any trial in any other court.

Mr. MILLSPAUGH. Yes.

Mr. HAMMER. If he can give us a concrete case I will be glad to hear it. But let us narrow this down. The first thing we know the present rent act will have expired and we will have nothing to supersede it, and there will be chaos in the District and suffering and oppression.

Mr. MILLSPAUGH. I want him to answer the question and tell how this thing is done, whether you require the landlord, when he goes into court, to show that, or do you think that all of his witnesses are not telling the truth, or do you try it like any other case is tried in court?

Mr. SINCLAIR. We put the burden of proof on the tenant in this class of cases.

Mr. HAMMER. I understand that.

Mr. MILLSPAUGH. There is no representative of the landlords on the commission?

Mr. SINCLAIR. I know that.

Mr. HAMMER. Do you or do you not ever have sufficient evidence to restore possession to the landlord? Answer that, yes or no.

Mr. SINCLAIR. Undoubtedly; yes.

Mr. HAMMER. Have you done it, and if so, in how many instances?

Mr. SINCLAIR. In nearly 300 cases we have done that.

Mr. MILLSPAUGH. How many denied in that time?

Mr. SINCLAIR. You have the statement showing the number of notices held to have been given in good faith and the number held not to have been given in good faith.

Mr. SPROUL. How long does it take the landlord to get possession of his building after he takes the matter up with the Rent Commission?

Mr. SINCLAIR. It is hard to tell.

Mr. SPROUL. About?

Mr. SINCLAIR. That brings in all kinds of business.

Mr. SPROUL. One month or six months?

Mr. SINCLAIR. Perhaps it takes two months or longer.

Mr. MILLSPAUGH. How about this case?

Mr. SINCLAIR. That might have been longer.

Mr. MILLSPAUGH. From October to March, and another one until May.

Mr. SINCLAIR. Which case?

Mr. MILLSPAUGH. The Linkins case.

Mr. SINCLAIR. That case has been before us three or four times.

Mr. MILLSPAUGH. October 27, 1921.

Mr. HAMMER. Yes.

Mr. MILLSAUGH. Have you seen the recommendation of the Commissioners of the District of Columbia to the chairman of the District Committee of the Senate on this bill?

Mr. SINCLAIR. I read it in the newspapers.

Mr. MILLSAUGH. Here is what the commissioners say, partly:

"To relieve the rent situation where the demand for homes is in excess of the supply it is necessary either to reduce the demand or increase the supply. It is not believed that the demand can be very materially reduced. In fact, with reasonably active business conditions it is likely that the demand will grow in a healthy way. As to the increase in supply, it seems well established that as long as the rent act remains it will diminish the incentive to capital adequately to meet the situation. To extend the provisions of the act will therefore merely postpone the time when the present stringency will be corrected. Undoubtedly, if the act is not extended, for a comparatively short time unwise and unscrupulous property owners will seek to take advantage and will demand exorbitant rents. This very tendency will serve as an inducement to engage in the profitable business of erecting property for renting. Without being able to predict just when a condition of stability will be reached, probably the period will be short, and then there will once more be, as there has been, a larger supply of renting property than the demand, and then rents will tend to decline."

That is one of the three Commissioners of the District.

Mr. REED. Is that issued as an official communication from the commissioners to some one?

Mr. MILLSAUGH. To Senator Ball, of the Senate committee. They state, however, that if the act is to be extended it should be amended in several particulars after hearings to both sides:

"The commissioners feel that it is inadvisable to extend the provisions of the Ball Rent Act for a period of two years. They do feel, however, that an extension of about one and one-half years—that is, until October 1, 1923—may be advisable, in order that the effect of the law under the changed conditions likely to exist may be further studied. The commissioners believe, however, that the law should be amended in some respects.

"First. The Rent Commission should consist of a representative of the property owners, a representative of the renting class, and of one who should be neither the owner of property for renting purposes nor a renter.

"Second. The attorney of the commission should represent the public as a whole and not merely the renting class.

"Third. The Rent Commission should have an inspection force sufficient to view the property involved in any case before it, as it seems impracticable that the commission itself should do this work.

"Fourth. The law should be so amended as to make it practicable and inexpensive for a bona fide purchaser of property for dwelling purposes to get possession of said property without delay. To avoid the possibility of mischance the law should provide that in such cases the apparent purchaser will, in good faith, occupy the property, and machinery should be provided to verify this fact.

"Fifth. There should be a provision to enable the owner of property to get rid of objectionable tenants or of those who use the property in an objectionable way.

"Sixth. There should be a provision to prevent a tenant who has signed a lease from appealing to the commission to break the terms of the lease relating to the amount of the agreed rent.

"Seventh. Section 109 of the law prohibits the tearing down or razing of any rental property used for residential purposes, unless new rental property for residential purposes is constructed. The commissioners believe that this provision is detrimental to the proper development of the District and that it should be stricken from the act.

"Very respectfully,

"THE BOARD OF COMMISSIONERS OF THE  
DISTRICT OF COLUMBIA.

"By ———, President."

Mr. MILLSAUGH. None of these things was incorporated in the act in the Senate, were they?

Mr. SINCLAIR. There is one provision there.

Mr. MILLSAUGH. What is it?

Mr. SINCLAIR. The provision is to this effect: There has been one great objection of this law. It is in section 106. Under section 106 in its present form a

tenant who has signed a lease may come before the Rent Commission and have his rent fixed, but the landlord has not that right. There is no mutuality about the law in that respect.

Mr. MILLSAUGH. Under the present law, a landlord could not?

Mr. SINCLAIR. The landlord can not and the tenant can. Now, there has been a provision put in that section to meet that objection. It permits—I can not put my finger on it now. But it provides that a landlord may do it as well as a tenant without regard to the existence of a lease. That will meet the objection.

Mr. MILLSAUGH. What is your opinion of those recommendations of the commissioners?

Mr. SINCLAIR. Some of them, I think, were made through a misunderstanding. There is one there with reference to the duties of the attorney. The attorney does not appear before the Rent Commission to represent either the tenant or the landlord. The attorney looks after the litigation. He looks after the case in the court of appeals. The attorney was specially provided for in order to enable the commission to collect the excess rents exacted from tenants after the rents were fixed by the commission. There are a great many of those cases pending, so whoever wrote the report did not understand what the attorney was expected to do or would do.

Mr. HAMMER. May I ask a question?

Mr. SINCLAIR. Yes.

Mr. HAMMER. I understood you to say that the tenant could apply and make application by service of notice to have the rent adjusted, but the landlord could not?

Mr. SINCLAIR. That is true.

Mr. HAMMER. I understood you to say the landlord in the Meridian Mansions case made application after Smyth did. Judge Smyth started suit, and then the landlord started suit, and then these millionaires and Senators started suit. I understood you to say that.

Mr. SINCLAIR. They did not sign new leases. The record will show they were tenants by sufferance, occupying the apartments under leases which had expired, and they refused to sign new leases.

Mr. HAMMER. Upon what principle of justice do you undertake to justify a law that provides that the tenant can ask for an adjustment and the landlord can not?

Mr. SINCLAIR. I do not undertake to justify it.

Mr. HAMMER. Don't you think it ought to be changed to treat them both alike?

Mr. SINCLAIR. Yes; and this bill does change it, as this provision provides for the filing of a complaint.

Mr. HAMMER. This new bill?

Mr. SINCLAIR. The one you are considering:

"Such complaints may be made and filed by and on behalf of a tenant and by and on behalf of the owner of any rental property or apartment notwithstanding the existence of a lease or other contract between the tenant and owner."

That meets that objection. So many tenants are forced to sign leases in order to get under a roof.

Mr. HAMMER. I know, and tenants frequently give bond that they will not go into court about it. Of course, such bonds are illegal, unenforceable, but they do it.

Mr. SINCLAIR. That will undoubtedly meet that objection.

Mr. MILLSAUGH. Here is a specific case I will call your attention to. This is from a lady. It is the case of an apartment house in Washington, D. C., at least, this person has a life interest in it:

"An Army officer who was very anxious to get an apartment in it a year ago last October took a lease on one, but notwithstanding the fact that he signed a two-year lease, he went last May to the commission and filed a complaint of paying too much rent.

"In October the commission reduced the rent \$35 a month, and allowed him the reduction from the time he filed the complaint. Consequently, this officer claimed that there was \$240 due him, and did not pay any rent for over two months, until the sum was made up to him, and upon the strength of the fact that our agents refused to take his check for what they considered was not right, he sued my mother for \$1,000 for inconvenience, etc., and his case is in litigation and he has not paid any rent all winter. As you doubtless know, an Army officer is allowed rent, heat, and light, and I have been wondering if this man, who has been living in our property all this time for nothing, is being



allowed his rent money, for which we are paying taxes on the money as well as the salary. It seems to me that it is expecting a great deal of taxpayers all over the country to have a double burden put upon them. There are now 19 tenants in the apartment house that filed before the commission complaints about cases. One of my brothers has moved to Washington, and he would be very glad to get one of those apartments if one of the tenants will give them up, but they will not, because they find the same as they did, that they hunted around and could not find a place elsewhere. If some decision is not made by the commission in the case of these 19 tenants, and before they pay the back rent they can live there several months for nothing at all in the apartment house, and the taxpayers will be ruined, as they have not the use of their property in the meantime.

"One complained that if there was a fair reduction in rent and the commission acted, the running expenses would decrease perceptibly. The taxes in the District went up \$300 last year on this property and we had nothing to say about it."

MR. SINCLAIR. I know exactly what case that is; that is the Oakland Apartment House, an old building on Columbia Road, near the Wyoming, and if they do not run it any better than it was run the past winter, they might as well sell it and get rid of it. The tenants nearly froze to death there about three months ago, I understand.

MR. MILLSAUGH. Is that part of your business, to tell the owner of property to sell it and get rid of it, or if not you will reduce the rent and allow the tenants to live there for nothing for seven or eight months?

MR. SINCLAIR. I have not said that.

MR. MILLSAUGH. I take it from what you said that you advise the people to sell the property.

MR. SINCLAIR. That case has been before the Rent Commission, and we have fixed some rents in that apartment house, and other cases are down for hearing on the 15th of May. The tenants joined in a complaint there. We have a number of complaints.

MR. MILLSAUGH. But this party has been living there for seven months without paying any rent.

MR. SINCLAIR. Yes.

MR. MILLSAUGH. Could the other 19 parties do the same thing?

MR. SINCLAIR. They will do the same thing unless conditions are improved there, if they pay as much rent as the Army officer.

MR. MILLSAUGH. Then they will not collect any money for seven months from the other 19 tenants?

MR. HAMMER. We are going to remedy it.

MR. SINCLAIR. Should that be remedied? Should not the tenants come before the Rent Commission for the reduction, if they have good cause to do so, and if the rent is found to be unfair, certainly the commission should change it.

MR. MILLSAUGH. If that was followed in every other line of business, how many men would be in business in the United States, if when you entered into a contract it was not fulfilled to the letter?

MR. SINCLAIR. If you do it freely. But if you have to sign a lease in order to get under a roof, that is a different proposition. Tenants are often forced to sign these contracts.

MR. SPROUL. I do not see how you figure it is a different proposition.

MR. MILLSAUGH. You have got to give a note when you borrow money.

MR. SINCLAIR. You can get money much easier than houses or apartments to live in, in Washington.

MR. HAMMER. If you sign a contract in excess of the legal rate of interest in these States where they have properly regulated laws, you can get back double the amount of such excess.

MR. MILLSAUGH. Can you give the name of this Army officer?

MR. SINCLAIR. I do not recall the name. I explained to you it was an Army officer, and there are a great many cases like that. Army officers are ordered here by the Government.

MR. SPROUL. Do you protect those cases?

MR. SINCLAIR. We should protect all cases.

MR. SPROUL. But you do not; you have not protected the landlords.

MR. SINCLAIR. We certainly do protect the landlords.

MR. SPROUL. When that Army officer moves out, he will have lived there in that same apartment seven or eight months without paying rent.

MR. SINCLAIR. Let me explain it.

Mr. SPROUL. You will have to offer a lot of explanation to satisfy me.

Mr. SINCLAIR. All the Rent Commission does is to fix a fair and reasonable rent. The statute does the rest. The statute says that—

Mr. SPROUL (interposing). How do you arrive at a fair and reasonable rent?

Mr. SINCLAIR. We arrive at it by considering many elements. We hear testimony. We hear the landlord. We go into the question of the fair and reasonable value of the property. We go into the question of what it costs to operate the property—all items of expense that go into the question, if it is an apartment house, and the character of the service furnished in the apartment house, if any, and then we go into the apartments and make a personal inspection.

Mr. SPROUL. Do you make a valuation of what the property cost when it was built 10 or 15 years ago?

Mr. SINCLAIR. Yes; the cost of reproduction and the depreciation, and the fair market value of it and its value as shown by the assessment for taxes.

Mr. SPROUL. The present value, or what it cost?

Mr. SINCLAIR. The fair market value is the value upon which we figure the return and the fair and reasonable rent, and the improvements made upon it. The assessor of the District is an ex officio member of this board.

Mr. MILLSAUGH. And he gets \$1,000 a year for it.

Mr. SINCLAIR. Yes; and he earns it. We have the benefit of his expert knowledge and he is one of the best, if not the best, all over-town realty expert in Washington. [Applause.]

Mr. MILLSAUGH. Where do you get that?

Mr. SINCLAIR. I know that. For a number of years I had entire charge of the land-condemnation proceedings for the District and I worked with Mr. Richards for several years when he had charge of street extensions, and after I gave up land-condemnation proceedings, and while I had charge of the grade-damage suits resulting from the establishment of the Union Station over here—I frequently came in contact with Mr. Richards. It took six years to settle those grade-damage suits. We had the benefit of his knowledge in those cases. I know him intimately; know his ability, and know his knowledge of real estate and of general business matters as well.

Mr. SPROUL. How does the assessor arrive at the valuation of property?

Mr. SINCLAIR. About the same way we do.

In the assessor's office they have inspectors who go around to investigate sales and find out what property is sold for, and the assessor has a man who is stationed at the office of the recorder of deeds; he takes a memorandum of all the deeds that go on record. They assess property more accurately than they used to.

Mr. SPROUL. The deeds on record are not always right as to what the property has cost.

Mr. SINCLAIR. They ought to be.

Mr. SPROUL. But are not.

Mr. HAMMER. The revenue stamps will show what consideration was paid.

Mr. SINCLAIR. That gives it all right.

Mr. HAMMER. Permit me to ask a question, if you care to answer it, and that is this: I understood from what was read from the commissioners' report that they recommended that objectionable tenants who misused the property and were seriously objectionable on account of the conduct in which they used the premises that there ought to be a provision to enable a landlord to get rid of such tenants, and let me embrace in the same question another thing, don't you think that the landlords ought also to be given the right over the property when the house is torn down to construct such buildings on it as the owner desires and would be beneficial to him as a matter of justice absolutely to the landowner? Don't you think we ought to have that amendment in this bill?

Mr. SINCLAIR. It might be desirable to have it in the bill. It would be, perhaps, desirable.

Mr. HAMMER. Not only business places, but it includes hotels, and they are all in the same class. This would not compel a man to construct in a desirable community where conditions have changed since the house was built originally a building of the same kind as the one on the land, and have the same use. It looks to me as though it is a gross injustice to the landowner and violates a fundamental property right, and amounts to a virtual obstruction of the fee.

Mr. SINCLAIR. Speaking of undesirable tenants—

Mr. HAMMER (interposing). For instance, the one who rented his premises to a tenant who, when asked to vacate under a verbal agreement, cursed him and used vile language and abused him. I know of a situation where an old

lady would not let the landlord enter the premises to see what was going on and would not let anybody come in the door.

Mr. SINCLAIR. What are you going to make the test of the undesirability of the tenant? That is a dangerous question.

Mr. HAMMER. It is in the discretion of your commission to say that a person of gross immorality or who would be running a house for a purpose other than it should be run—gambling with cards, wines, and lewd people frequenting the place, congregating and assembling. I do not mean such a violation of law constituting a disorderly house, for that could be regulated by other existing laws; but where such conditions are permitted as stated the landlord should have more rights than it appears to me he has in this bill as to that important matter.

Mr. SINCLAIR. A great many things were done. We have here now a law covering disorderly houses in the District.

Mr. HAMMER. Do you think I ought to be required to keep a tenant in my house that will let that sort of thing go on?

Mr. SINCLAIR. No, sir; I do not. But those cases are few.

Mr. HAMMER. And divide the apartment by making new partitions to get increased compensation, having a private understanding about it, which they can not do under the law; and, at the same time, there are objectionable tenants, and under this law those objectionable tenants could not be gotten rid of.

Mr. SINCLAIR. That is true; but that question was up on the Senate side before the Senate committee.

Mr. MILLSPAUGH. On that question, if the commission is able to determine that a few cracks in a room will knock off \$50 rent, can they not determine what an undesirable tenant is?

Mr. SINCLAIR. Of course, that is a very difficult question to determine.

Mr. MILLSPAUGH. The cracks in a room or the undesirable tenant?

Mr. SINCLAIR. Have you seen those cracks?

Mr. MILLSPAUGH. No; I would like to.

Mr. HAMMER. They are expensive, to cause a \$50 rental decrease.

Mr. MILLSPAUGH. Do you think bill, S. 2919, should be passed, extending this act for two years?

Mr. SINCLAIR. In its present form?

Mr. MILLSPAUGH. Yes.

Mr. SINCLAIR. I do; undoubtedly.

Mr. MILLSPAUGH. You do not think any of these injustices that the commissioners call attention to ought to be taken care of in this bill? Do you think the practice of the tenants should be continued; that the rent is not impounded, whatever you call it, that it should not be done, or that undesirable tenants should not be put out and the law go on just as it is now?

Mr. SINCLAIR. I answered that.

Mr. MILLSPAUGH. You said it ought to be passed as it is.

Mr. SINCLAIR. I said that I thought there ought to be some provision requiring the giving of a bond on appeal. I stated that before you read the bill to me, and I also stated one of those objections has been met by a provision in this bill.

Mr. MILLSPAUGH. That is simply referring to the landlord?

Mr. SINCLAIR. It is a very important one.

Mr. MILLSPAUGH. There are 10 recommendations that they set out, and you do not think any of those should have a place in this bill at all?

Mr. SINCLAIR. No; my judgment is that this bill is in pretty good form.

Mr. MILLSPAUGH. I call your attention to a report of the court of appeals. You said the commission had been unjustly censured in the Monmouth case. This is a court of record of the District of Columbia, so I presume Mr. Justice Smythe is the presiding justice?

Mr. SINCLAIR. May I tell you this?

Mr. WALTERS. I do not think we are trying the Rent Commission for alleged incapacity.

Mr. MILLSPAUGH. Is it better to permit this injustice to go on?

Mr. SINCLAIR. That case will come back to us and we will try it in the light of the information given to the commission.

Mr. MILLSPAUGH. I want you to see what the court of appeals thinks of it.

Mr. SINCLAIR. Very well; and we would like to put the brief of the Rent Commission in that case also into the record.

Mr. MILLSPAUGH. It reads:

"Taking two-thirds of this as the portion to be borne by the 76 apartments adjudicated, we have \$30,843. Deducting this from the total gross income

allowed by the commission on the 76 apartments—\$41,496—results in a balance net income of \$10,653, which, on the proportionate value which the 76 apartments bear to the whole property—\$368,543.20—yields an income of 2.62 per cent. Computing, however, upon the unsupported statement of Wardman, it would only yield 3.5 per cent. It is apparent that this result is so unfair and unreasonable that it amounts to deprivation of property without due process of law within the inhibition of the fifth amendment to the Constitution. The rates fixed are confiscatory, and, therefore, void.

"This, however, is not the only error calling for a reversal. From this record we are convinced that, as matter of law, defendant did not have a fair and impartial hearing. Parts of the hearing were had in the absence of counsel, the commission acting in the double capacity of judges and counsel. In other instances counsel were not allowed to be heard in defense of defendant's rights. Indeed, the proceedings were conducted more in the nature of an inquisition than a judicial investigation in which the commission was called upon to judicially determine valuable property rights."

Mr. SINCLAIR. Are you going to force me to answer that?

Mr. WALTERS. That case has been closed. That is a judicial decision. What has this committee got to do with it? We are not trying the Rent Commission for anything.

Mr. HAMMER. I indicated when this began the other day that we are not trying the Rent Commission, but to get at the facts in the case, as to whether actual conditions require the legislation contemplated, and I made the prophecy, you will remember, that if it was permitted that we would never get through here; that this was not the purpose of this hearing, to try this Rent Commission.

Mr. SINCLAIR. Or try the Meridian Mansions case.

Mr. REED. The chair was just about to observe that it would like an expression of the committee on the scope which this examination should cover. We are trying to get light on this law, how it may be administered effectively and efficiently. Witnesses are pointing out alleged mistakes made by the commission, but I do not understand that that is a matter to be inquired into here. That has nothing to do with the merits of the law on the statute books. We will have to limit this a little. We want to get the facts as to the need of the rent act. The Rent Commission is not appointed by this committee. It does not report to this committee, and there is no resolution of Congress asking this committee to investigate the individual acts of the commission.

Mr. MILLSPAUGH. We are asked to continue the Rent Commission and we want to find out what it is doing in order to arrive at a fair conclusion as to the bill.

Mr. REED. Within reasonable bounds. But we do not want to unnecessarily prolong this hearing.

Mr. HAMMER. If the commission is not doing its duty, the complainants can get a remedy in some other way—by impeachment, I would say. I have tried to ask questions having a bearing upon the law. I have not studied this law as I usually try to before coming into a committee meeting, and I want to ask this question: Do I understand you to say that the law as administered now will not prevent a landlord from removing an undesirable tenant; for instance, one who is conducting a blind tiger or a house of ill fame? You can make a very simple answer to that.

Mr. SINCLAIR. The leases usually provide against those things. There is nothing in this law which provides for that.

Mr. HAMMER. Does the law provide that objectionable tenants who engage in any kind of immorality or use the property for immoral purposes can be ejected?

Mr. SINCLAIR. Yes; it provides for that.

Mr. HAMMER. Have they been ejected?

Mr. SINCLAIR. No.

Mr. WALTERS. There is another law in the District by which you can get an injunction against a property, a red light law.

Mr. SINCLAIR. We have no authority to evict anybody for any cause. The sole function of the Rent Commission is to settle disputes that arise over rents and notices to quit. We can not put tenants out and have no power to evict.

Mr. MILLSPAUGH. As a matter of fact, the way this law was drawn when one of those cases does come before the Rent Commission the fact that it has been appealed to the Rent Commission supersedes and the municipal court will not act.

Mr. SINCLAIR. They will wait until the Rent Commission disposes of it.

Mr. MILLSAUGH. Seven or eight months?

Mr. SINCLAIR. No.

Mr. HAMMER. Don't you turn those cases over to the proper courts to have them dealt with?

Mr. SINCLAIR. No; it is the business of the parties to go to the municipal court. We have no authority to refer cases to that court.

Mr. HAMMER. It is the business of all citizens to break up places of that character?

Mr. SINCLAIR. We would call it to the attention of the district attorney, cases of that sort.

Mr. HAMMER. Then you could eject even in cases of that kind?

Mr. MILLSAUGH. As a matter of fact, commenting upon Mr. Hammer's question, if the landlord brings an action to evict the tenant and the tenant has applied for a reduction of the rent to the Rent Commission, as a matter of fact, the tenant can retain possession of that property regardless until the Rent Commission determines the case, can he not?

Mr. HAMMER. Certainly.

Mr. SINCLAIR. Should he not?

Mr. MILLSAUGH. For six or seven months, and if he is abusing the property, using it in a disorderly manner, making himself objectionable, he can keep on for a period of six or seven months, until the Rent Commission acts.

Mr. HAMMER. Would not you advance a case of that kind?

Mr. SINCLAIR. Certainly; we advance a great many cases on a proper showing.

Mr. MILLSAUGH. What would you call a proper showing?

Mr. SINCLAIR. A case of that kind would be pretty good.

Mr. MILLSAUGH. Have you advanced cases in every case where a proper showing was made of that nature?

Mr. SINCLAIR. Of that nature? We have advanced a great many cases for hearing. I would not say that they were of that nature.

Mr. REED. In a case where the tenant and the landlord have a written contract, and both parties have signed it, setting out what the terms are, that the tenant shall surrender the lease, and all that—

Mr. SINCLAIR. Yes, sir.

Mr. REED. When such a case comes to you, do you set aside the contract?

Mr. SINCLAIR. No.

Mr. REED. Do those provisions still hold after you have changed the rate?

Mr. SINCLAIR. We have never passed on any provisions under the contract except the one providing for rent.

Mr. REED. Then can the owner enforce the clause that he has in his contract to get possession of the property?

Mr. HAMMER. I certainly am opposed to this method of procedure—opposed to trying this Rent Commission here and going into all this breadth of questions without giving the members of the commission an opportunity to bring witnesses here to show what is their practice. I think we ought to confine ourselves to this bill in question, only using incidentally the mistakes of the Rent Commission to such an extent as may be necessary to show the ill effects of the operations of the law, but not for the purpose of bringing into disrepute the legislation which is honestly contemplated.

Mr. REED. Before the present occupant was called to the chair the methods of the Rent Commission were vigorously assailed by some of the witnesses.

Mr. HAMMER. Yes; and you and myself both somewhat opposed that.

Mr. REED. It is up to the committee to determine the scope of its procedure.

Mr. HAMMER. I move that Mrs. Taylor be heard at 10 o'clock to-morrow morning, and that she be permitted to proceed with her statement and then be questioned. I do that to expedite matters. This morning this is simply a catechising.

Mr. MILLSAUGH. I want to call the gentleman's attention to the fact that this meeting this morning with the chairman of the commission was to bring out certain information.

Mr. HAMMER. I think so.

Mr. MILLSAUGH. Some very germane facts.

Mr. HAMMER. A great many questions have been asked that could have been left unasked. Are there other members of the commission to be heard?

Mr. SINCLAIR. Mr. Gude.

Mr. HAMMER. Suppose we have it understood that Mrs. Taylor will be heard to-morrow morning at 10 o'clock, and then when she is through hear Mr. Gude

and remain in session every morning at 10 o'clock until through. The 22d of May is not far off.

Mr REED. We will meet to-morrow morning at 10 o'clock.

(Thereupon, at 12 o'clock noon, the committee adjourned to meet Tuesday, May 2, 1922, at 10 o'clock a. m.)

*Statement showing work of the rent commission during the period beginning October 1, 1921, and ending March 31, 1922.*

Cases heard:

Rent cases .....	1,374
Disputes of notices to quit .....	398
Motions .....	243
Damage suits .....	9
Petitions to tear down .....	23
Total number of cases heard .....	2,047

Rent cases:

Total determinations .....	919
Total number of rents increased .....	185
Total number of rents reduced .....	467
Total number of cases dismissed because settled by parties or for other reasons .....	188
Total number of cases wherein the rents complained of were not changed .....	79
Aggregate of monthly increases in rents made in the 185 cases above mentioned .....	\$2,774.50
Aggregate of monthly reductions in rents made in the 467 cases above mentioned .....	\$5,980.82
Annual amount saved to tenants by the reductions made in the 467 cases above mentioned .....	\$71,877.84
Total number of cases heard but not decided during the six-month period .....	83

Disputes of notices to quit:

Total determinations .....	355
Total number of notices held to be sufficient .....	69
Total number of notices held to be insufficient .....	37
Total number of notices held not to have been in good faith .....	28
Total number of cases dismissed because settled by parties or for other reasons .....	221
Total number of disputes of notices to quit heard but not decided .....	25

Over 1,000 cases now awaiting hearing.

MERIDIAN MANSIONS, NO. 2400 SIXTEENTH STREET.

The investigation by the Rent Commission, resulting in the fixing of a schedule of rents for the Meridian Mansions, No. 2400 Sixteenth Street NW., arose as follows:

Five written complaints were filed with the Rent Commission by Kennedy Bros., a corporation, as the owner of this apartment house, against Senators Jones, Walsh, Kendrick, and Harris, and former Senator Thomas, tenants, wherein the Rent Commission was asked to increase the rents for the apartments occupied by said tenants. About the time these five complaints were filed by the owner two written complaints were filed with the Rent Commission against the owner by Senator Culherson and Chief Justice Smyth, of the Court of Appeals of the District of Columbia, asking the Rent Commission to reduce the rents for the apartments occupied by them.

The Rent Commission realized that in fixing the rents upon the complaints filed it would have to inquire into and determine the fair and reasonable value of the entire apartment house and the cost of operating it as fully as would be

necessary in order to fix all of the rents in the apartment house, so it decided to and did fix a complete schedule of rents for the apartment house. In doing this the Rent Commission, it is believed, consumed very little more time than would have been consumed by it in fixing the rents for the apartments involved in the seven complaints above mentioned. The Rent Commission feels that it saved time by this procedure and that it should be commended for it rather than condemned. It is safe to assume that if the Rent Commission had fixed the rents for the apartments covered by the seven complaints only other complaints would have been filed with it from time to time by other tenants in the apartment house, necessitating further hearings and taking up time of the Rent Commission which might be devoted to other cases.

#### DISTRICT OF COLUMBIA RENT LAW.

[EXTRACT FROM PUBLIC—NO. 63—66TH CONGRESS.]

[H. R. 8624.]

**AN ACT** To amend an act entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel," approved August 10, 1917, and to regulate rents in the District of Columbia.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this act may be cited as "**The Food Control and the District of Columbia Rents Act.**"

#### TITLE II.—DISTRICT OF COLUMBIA RENTS.

SEC. 101. When used in this title, unless the context indicates otherwise—

The term "rental property" means any building or part thereof or land appurtenant thereto in the District of Columbia rented or hired and the service agreed or required by law or by determination of the commission to be furnished in connection therewith; but does not include an hotel or apartment.

The term "person" includes an individual, partnership, association, or corporation.

The term "hotel" or "apartment" means any hotel or apartment or part thereof, in the District of Columbia, rented or hired and the land and out-buildings appurtenant thereto, and the service agreed or required by law or by determination of the commission to be furnished in connection therewith.

The term "owner" includes a lessor or sublessor, or other person entitled to receive rent or charges for the use or occupancy of any rental property, hotel or apartment, or any interest therein or his agent.

The term "tenant" includes a subtenant, lessee, sublessee, or other person, not the owner, entitled to the use or occupancy of any rental property, hotel, or apartment.

The term "service" includes the furnishing of light, heat, water, telephone or elevator service, furniture, furnishings, window shades, screens, awnings, storage, kitchen, bath and laundry facilities and privileges, maid service, janitor service, removal of refuse, making all repairs suited to the type of building or necessitated by ordinary wear and tear, and any other privilege or service connected with the use or occupancy of any rental property, apartment, or hotel.

The term "commission" means the Rent Commission of the District of Columbia.

SEC. 102. A commission is hereby created and established, to be known as the Rent Commission of the District of Columbia, which shall be composed of three commissioners, none of whom shall be directly or indirectly engaged in, or in any manner interested in or connected with, the real estate or renting business in the District of Columbia. The commissioners shall be appointed by the President by and with the advice and consent of the Senate. The term of each commissioner shall be two years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he succeeds. The commission shall at the time of its organization and annually thereafter elect a chairman from its own membership. The commission may make such regulations as may be necessary to carry this title into effect.

All powers and duties of the commission may be exercised by a majority of its members. A vacancy in the commission shall not impair the right of the remaining commissioners to exercise all the powers of the commission. The commission shall have an official seal, which shall be judicially noticed.

SEC. 103. Each commissioner shall receive a salary of \$5,000 a year, payable monthly. The commission shall appoint a secretary, who shall receive a salary of \$3,000 a year, payable in like manner; and, subject to the provisions of the civil service laws, it may appoint and remove such officers, employees, and agents and make such expenditures for rent, printing, telegrams, telephone, law books, books of reference, periodicals, furniture, stationery, office equipment, and other supplies and expenses as may be necessary to the administration of this title. All of the expenditures of the commission shall upon the presentation of itemized vouchers therefor approved by the chairman of the commission be audited and paid in the same manner as other expenditures for the District of Columbia.

With the exception of the secretary, all employees of the commission shall be appointed from lists of eligibles supplied by the Civil Service Commission and in accordance with the civil-service law.

SEC. 104. The assessor of the District of Columbia shall serve ex officio as an advisory assistant to the commission, but he shall have none of the powers or duties of a commissioner. He shall attend the meetings and hearings of the commission. Every officer or employee of the United States or of the District of Columbia, whenever requested by the commission, shall supply to the commission any data or information pertaining to the administration of this title which may be contained in the records of his office. The assessor shall receive for the performance of the duties required by this section a salary of \$1,000 per annum, payable monthly, in addition to such other salary as may be prescribed for his office by law.

SEC. 105. For the purposes of this title the commission or any officer, employee, or agent duly authorized in writing by it, shall at all reasonable times have access to, for the purpose of examination, and the right to copy, and books, accounts, records, papers, or correspondence relating to any matter which the commission is authorized to consider or investigate; and the commission shall have power to require by subpoena the attendance and testimony of witnesses and the production of all such books, accounts, records, papers, and correspondence relating to any such matter. Any member of the commission may sign subpoenas, administer oaths and affirmations, examine witnesses, and receive evidence.

Such attendance of witnesses and the production of such books, accounts, records, papers, and correspondence may be required from any place in the United States at any designated place of hearing. In case of disobedience to a subpoena or of the contumacy of any witness appearing before the commission, the commission may invoke the aid of the Supreme Court of the District of Columbia or of any district court of the United States. Such court may thereupon issue an order requiring the person subpoenaed to obey the subpoena, or to give evidence touching the matter in question. Any failure to obey such order of the court may be punished by such court as a contempt thereof. No officer or employee of the commission shall, unless authorized by the commission or by a court of competent jurisdiction, make public any information obtained by the commission.

SEC. 106. For the purposes of this title it is declared that all (a) rental property and (b) apartments and hotels are affected with a public interest, and that all rents and charges therefor, all service in connection therewith, and all other terms and conditions of the use or occupancy thereof, shall be fair and reasonable; and any unreasonable or unfair provision of a lease or other contract for the use or occupancy of such rental property, apartment, or hotel with respect to such rents, charges, service, terms, or conditions is hereby declared to be contrary to public policy. The commission upon its own initiative may, or upon complaint shall, determine whether the rent, charges, service, and other terms or conditions of a lease or other contract for the use or occupancy of any such rental property, hotel, or apartment are fair and reasonable. Such complaints may be made (a) by or on behalf of any tenant, and (b) by any owner except where the tenant is in possession under a lease or other contract, the term specified in which has not expired, and the fairness and reasonableness of which has not been determined by the commission.

In all such cases the commission shall give notice personally or by registered mail and afford an opportunity to be heard to all parties in interest.



The commission shall promptly hear and determine the issues involved in all complaints submitted to it. All hearings before the commission shall be open to the public. If the commission determines that such rents, charges, service, or other terms or conditions are unfair or unreasonable, it shall determine and fix such fair and reasonable rent or charges therefor, and fair and reasonable service, terms, and conditions of use or occupancy. In any suit in any court of the United States or the District of Columbia involving any question arising out of the relation of landlord and tenant with respect to any rental property, apartment, or hotel, except on appeal from the commission's determination as provided in this title, such court shall determine the rights and duties of the parties in accordance with the determination and regulations of the commission relevant thereto.

Sec. 107. A determination of the commission fixing a fair and reasonable rent or charge made in a proceeding begun by complaint shall be effective from the date of the filing of the complaint. The difference between the amount of rent and charges paid for the period from the filing of the complaint to the date of the commission's determination and the amount that would have been payable for such period at the fair and reasonable rate fixed by the commission may be added to or subtracted from, as the case demands, future rent payments, or after the final decision of an appeal from the commission's determination may be sued for and recovered in an action in the Municipal Court of the District of Columbia.

Sec. 108. Unless within ten days after the filing of the commission's determination any part to the complaint appeals therefrom to the Court of Appeals of the District of Columbia, the determination of the commission shall be final and conclusive. If such an appeal is taken from the determination of the commission, the record before the commission or such part thereof as the court may order shall be certified by it to the court and shall constitute the record before the court, and the commission's determination shall not be modified or set aside by the court, except for error of law. If any party applies to the court for leave to adduce additional evidence and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission, the court may order such additional evidence to be taken before the commission and to be adduced upon the hearing in such manner and upon such terms and conditions as the court may deem proper. The commission may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which shall be conclusive, and its recommendations if any for the modification or setting aside of its original determination, with the return of such additional evidence. In the proceedings before such court on appeal from a determination of the commission, the commission shall appear by its counsel or other representative and submit oral or written arguments to support the findings and the determination of the commission.

Sec. 109. The right of a tenant to the use or occupancy of any rental property, hotel, or apartment, existing at the time this Act takes effect, or thereafter acquired, under any lease or other contract for such use or occupancy or under any extension thereof by operation of law, shall, notwithstanding the expiration of the term fixed by such lease or contract, continue at the option of the tenant subject, however, to any determination or regulation of the commission relevant thereto; and such tenant shall not be evicted or dispossessed so long as he pays the rent and performs the other terms and conditions of the tenancy as fixed by such lease or contract, or in case such lease or contract is modified by any determination or regulation of the commission, then as fixed by such modified lease or contract. All remedies of the owner at law or equity, based on any provision of any such lease or contract to the effect that such lease or contract shall be determined or forfeited if the premises are sold, are hereby suspended so long as this title is in force. Every purchaser shall take conveyance of any rental property, hotel, or apartment subject to the rights of tenants as provided in this title. The rights of the tenant under this title shall be subject to the limitation that the bona fide owner of any rental property, apartment, or hotel shall have the right to possession thereof for actual and bona fide occupancy by himself, or his wife, children, or dependants, or for the purpose of tearing down or razing the same in order immediately to construct new rental property, hotel, or apartment if approved by the commission, upon giving thirty days' notice in writing, served in the manner provided by section 1223 of the Act entitled, "An Act to establish a code of laws for the

District of Columbia," approved May 3, 1901, as amended, which notice shall contain a full and correct statement of the facts and circumstances upon which the same is based; but in no case shall possession be demanded or obtained by such owner in contravention of the terms of any such lease or contract. If there is a dispute between the owner and the tenant as to the accuracy or sufficiency of the statement set forth in such notice, as to the good faith of such demand, or as to the service of notice, the matters in dispute shall be determined by the commission upon complaint as provided in section 106 of this title.

Sec. 110. Pending the final decision on appeal from a determination of the commission, the commission's determination shall be in full force and effect and the appeal shall not operate as a supersedeas or in any manner stay or postpone the enforcement of the determination appealed from. Immediately upon the entry of a final decision on the appeal the commission shall, if necessary, modify its determination in order to make it conform to such decision. The difference, if any, between the amount of rent and charges paid for the period from the date of the filing by the commission of the determination appealed from and the amount that would have been payable for such period under the determination as modified in accordance with the final decision on appeal may be added to or allowed on account of, as the case demands, future rent payments or may be used for and recovered in an action in the municipal court in the District of Columbia.

Sec. 111. The determination of the commission in a proceeding begun by complaint or upon its own initiative fixing fair and reasonable rents, charges, service, and other terms and conditions of use or occupancy of any rental property, hotel, or apartment shall constitute the commission's determination of the fairness and reasonableness of such rents, charges, service, terms, or conditions for the rental property, hotel, or apartment affected, and shall remain in full force and effect notwithstanding any change in ownership or tenancy thereof, unless and until the commission modifies or sets aside such determination upon complaint either of the owner or of the tenant.

Sec. 112. If the owner of any rental property, apartment, or hotel collects any rent or charge therefor in excess of the amount fixed in a determination of the commission made and in full force and effect in accordance with the provisions of this title, he shall be liable for and the commission is hereby authorized and directed to commence an action in the Municipal Court in the District of Columbia to recover double the amount of such excess, together with the costs of the proceeding which shall include an attorney's fee of \$50, to be taxed as part of the costs. Out of any sums received on account of such recovery the commission shall pay over to the tenant the amount of the excess so paid by him and the balance shall be paid into the Treasury of the United States to the credit of the District of Columbia: *Provided*, That if the commission finds that such excess was paid by the tenant voluntarily and with knowledge of the commission's determination, the whole amount of such recovery shall be paid into the Treasury of the United States to the credit of the District of Columbia.

Sec. 113. If in any proceeding before the commission, begun by complaint or on the commission's own initiative, and involving any lease or other contract for the use or occupancy of any rental property, hotel, or apartment the commission finds that at any time after the passage of this act but during the tenancy the owner has, directly or indirectly, willfully withdrawn from the tenant any service agreed or required by a determination of the commission to be furnished, or has, by act, neglect, or omission contrary to such lease or contract or to the law or any ordinance or regulation made in pursuance of law, or of a determination of the commission, exposed the tenant, directly or indirectly, to any unsafe or insanitary condition or imposed upon him any burden, loss, or unusual inconvenience in connection with his use or occupancy of such rental property, hotel, or apartment the commission shall determine the sum which in its judgment will fairly and reasonably compensate or reimburse the tenant therefor. In any such proceeding involving a lease or other contract, the term specified in which had not expired at the time the proceeding was begun, the commission shall likewise determine the amount or value of any bonus or other consideration in excess of the rental named in such lease or contract received at any time, directly or indirectly, by the owner in connection with such lease or contract. The tenant may recover any amount so determined by the commission in an action in the Municipal Court of the District of Columbia.

SEC. 114. Whenever under this title a tenant is entitled to bring suit to recover any sum due him under any determination of the commission, the commission shall, upon application by the tenant and without expense to him, commence and prosecute in the municipal court of the District of Columbia an action on behalf of the tenant for the recovery of the amount due, and in such case the court shall include in any judgment rendered in favor of the tenant the costs of the action, including a reasonable attorney's fee, to be fixed by the court. Such costs and attorney's fee when recovered shall be paid into the Treasury of the United States to the credit of the District of Columbia.

SEC. 115. The commission shall, by general order, from time to time prescribe the procedure to be followed in all proceedings under its jurisdiction. Such procedure shall be as simple and summary as may be practicable, and the commission and parties appearing before it shall not be bound by technical rules of evidence or of pleading.

SEC. 116. Any person who with intent to avoid the provisions of this title enters into any agreement or arrangement for the payment of any bonus or other consideration in connection with any lease or other contract for the use or occupancy of any rental property, hotel, or apartment, or who participates in any fictitious sale or other device or arrangement the purpose of which is to grant or obtain the use or occupancy of any rental property, hotel, or apartment without subjecting such use or occupancy to the provisions of this title or to the jurisdiction of the commission shall upon conviction be punished by a fine not exceeding \$1,000 or by imprisonment for not exceeding one year, or by both.

SEC. 117. The commission shall prescribe standard forms of leases and other contracts for the use or occupancy of any rental property, hotel, or apartment and shall require their use by the owner thereof. Every such lease or contract entered into after the commission has prescribed and promulgated a form for the tenancy provided by such lease or contract shall be deemed to accord with such standard form; and any such lease or contract in any proceeding before the commission or in any court of the United States or of the District of Columbia shall be interpreted, applied, and enforced in the same manner as if it were in the form and contained the stipulations of such standard form.

The owner of an hotel or apartment shall file with the commission plans and other data in such detail as the commission requires, descriptive of the rooms, accommodations and service in connection with such hotel or apartment, and a schedule of rates and charges therefor. The commission shall, after consideration of such plans, schedules, data, or other information, determine and fix a schedule of fair and reasonable rates and charges for such hotels or apartments; and the rates and charges stated in such schedule shall thereafter constitute the fair and reasonable rates and charges for such hotel or apartment. The commission's determination in such case shall be made after such notice and hearing and shall have the same force and effect and be subject to appeal in the same manner as a determination of the commission under section 106 of this title.

SEC. 118. No tenant shall assign his lease or of sublet any rental property or apartment at a rate in excess of the rate paid by him under his lease without the consent of the commission upon application in a particular case, and in such case the commission shall determine a fair and reasonable rate of rent or charge for such assignment or sublease.

SEC. 119. The public resolution entitled "Joint resolution to prevent profiteering in the District of Columbia," approved May 31, 1918, as amended, is hereby repealed, to take effect sixty days after the date of the confirmation by the Senate of the commissioners first nominated by the President under the provisions of this title; but a determination by the commission made within such period of sixty days shall be enforced in accordance with the provisions of this title, notwithstanding the provisions of such public resolution. All laws or parts of laws in conflict with any provisions of this title are hereby suspended so long as this title is in force to the extent that they are in such conflict.

SEC. 120. The sum of \$50,000, or so much thereof as may be necessary, is hereby appropriated and made immediately available to carry out the provisions of this title, one-half thereof to be paid out of money in the Treasury of the United States not otherwise appropriated, and the other one-half out of the revenues of the District of Columbia.

SEC. 121. If any clause, sentence, paragraph, or part of this title shall be adjudged by any court of competent jurisdiction to be invalid, such judgment

shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operations to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Sec. 122. It is hereby declared that the provisions of this title are made necessary by emergencies growing out of the war with the Imperial German Government, resulting in rental conditions in the District of Columbia dangerous to the public health and burdensome to public officers and employees whose duties require them to reside within the District, and other persons whose activities are essential to the maintenance and comfort of such officers and employees, and thereby embarrassing the Federal Government in the transaction of the public business. It is also declared that this title shall be considered temporary legislation, and that it shall terminate on the expiration of two years from the date of the passage of this act, unless sooner repealed.

Approved, October 22, 1919.

COMMITTEE ON THE DISTRICT OF COLUMBIA,  
HOUSE OF REPRESENTATIVES,  
*Washington, Tuesday, May 2, 1922.*

The committee this day met, Hon. Stuart F. Reed presiding.

Mr. REED. The committee will be in order. When the committee adjourned yesterday, we were still questioning the chairman of the commission, Mr. Sinclair, and he has two matters merely to submit for the record, that completes his testimony.

**ADDITIONAL STATEMENT OF MR. A. LEFTWICH SINCLAIR, CHAIRMAN RENT COMMISSION.**

Mr. HAMMER. We are willing to have it provided it is not as extended as it was yesterday.

Mr. SINCLAIR. It will take three minutes.

Mr. MILLSPAUGH. I have no objection to it.

Mr. REED. It is in reply to what has been brought out.

Mr. SINCLAIR. This is a list of a few reductions of rents for unfurnished apartments in Meridian Mansions:

**A FEW REDUCTIONS OF RENTS FOR UNFURNISHED APARTMENTS IN MERIDIAN MANSIONS.**

Apartment 200, occupied by W. M. Kennedy, of Kennedy Bros. (Inc.), rent reduced from \$50 to \$45 per month.

Apartment 201, occupied by W. M. Kennedy, of Kennedy Bros. (Inc.), rent reduced from \$235 to \$200 per month.

Apartment 207, occupied by Alexander Telford, rent reduced from \$235 to \$220 per month.

Apartment 208, occupied by Col. E. E. Buell, rent reduced from \$85 to \$65 per month.

Apartment 210, occupied by Commissioner James F. Oyster, rent reduced from \$225 to \$200 per month.

Apartment 211, occupied by Col. W. L. Pitcher, rent reduced from \$100 to \$90 per month.

Apartment 212, occupied by Lester G. Wilson, rent reduced from \$155 to \$150 per month.

Apartment 214, occupied by A. M. Nevius, rent reduced from \$130 to \$125 per month.

Apartment 215, occupied by Frank A. Roper, rent reduced from \$85 to \$80 per month.

Apartment 219, occupied by Col. F. C. Boggs, rent reduced from \$130 to \$115 per month.

Apartment 220, occupied by F. B. Kleh, manager of Kennedy Bros. (Inc.), rent reduced from \$85 to \$75 per month.

Apartment 228, occupied by R. T. Warwick, rent reduced from \$200 to \$175 per month.

Apartments 300, 301, 302, and 329, occupied by Senator Culberson, rent reduced from \$407.50 to \$350 per month.

80      FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

Apartment 304, occupied by Senator Keyes, rent reduced from \$240 to \$205 per month.

Apartment 307, occupied by John C. Merriam, rent reduced from \$260 to \$220 per month.

Apartment 310, occupied by Mr. Justice J. H. Clarke, rent reduced from \$290 to \$230 per month.

Apartments 323, 324, and 325, occupied by Mrs. M. T. Hamilton, rent reduced from \$242.50 to \$232.50 per month.

Apartment 401, occupied by Mrs. M. E. Norment, rent reduced from \$235 to \$220 per month.

Apartment 404, occupied by Charles R. Dean, rent reduced from \$240 to \$215 per month.

Apartment 407, occupied by Chief Justice Smyth, rent reduced from \$260 to \$220 per month.

Apartment 410, occupied by Congressman Treadway, rent reduced from \$290 to \$230 per month.

Apartment 419, occupied by W. R. Turner, rent reduced from \$140 to \$125 per month.

Apartments 424 and 425, occupied by Senator Gooding, rent reduced from \$220 to \$195 per month.

Apartment 428, occupied by Senator R. P. Ernst, rent reduced from \$200 to \$185 per month.

Apartments 500, 501, and 502, occupied by Miss M. Y. Wheeler, rent reduced from \$330 to \$300 per month.

Apartment 507, occupied by W. W. Spalding, rent reduced from \$265 to \$230 per month.

Apartments 509 and 510, occupied by Congressman Snell, rent reduced from \$335 to \$275 per month.

Apartment 512, occupied by Col. J. H. Rice, rent reduced from \$180 to \$170 per month.

Apartment 514, occupied by W. E. Humphrey (attorney for Kennedy Bros. (Inc.) at hearing before House District Committee), rent reduced from \$155 to \$140 per month.

Apartment 519, occupied by Mrs. A. S. Vought, rent reduced from \$145 to \$125 per month.

Apartment 525, occupied by M. A. Weller, rent reduced from \$190 to \$170 per month.

Apartment 528, occupied by H. J. Cronin, rent reduced from \$205 to \$185 per month.

Apartments 600, 601, and 602, occupied by Hon. J. H. Covington, rent reduced from \$335 to \$300 per month.

Apartment 604, occupied by J. F. Cissel, rent reduced from \$250 to \$215 per month.

Apartment 607, occupied by H. L. Rust (owner of one-third interest in Meridian Mansions at time rent was fixed and agent for Kennedy Bros. (Inc.) for collection of rents for Meridian Mansions), rent reduced from \$270 to \$230 per month.

Apartment 610, occupied by Mrs. Ella Rust Smith, sister of H. L. Rust, rent reduced from \$300 to \$240 per month.

Apartment 612, occupied by H. L. Rust, jr., rent reduced from \$185 to \$170 per month.

Apartment 619, occupied by Maj. Thurston Hughes, rent reduced from \$147.50 to \$125 per month.

Apartment 707, occupied by F. L. Finkenstaedt, rent reduced from \$270 to \$230 per month.

Apartment 714, occupied by T. W. Page, rent reduced from \$160 to \$140 per month.

Apartment 719, occupied by Hon. A. T. Vogelsang, rent reduced from \$147.50 to \$125 per month.

Apartments 724 and 725, occupied by Gen. Lansing H. Beach, rent reduced from \$240 to \$195 per month.

Apartment 728, occupied by John E. Jenks, rent reduced from \$210 to \$185 per month.

Apartment 729, occupied by Col. H. McIntire, rent reduced from \$90 to \$80 per month.

## A FEW INCREASES OF RENTS FOR UNFURNISHED APARTMENTS.

Apartment 221, occupied by Col. C. L. Kilburn, rent increased from \$60 to \$65 per month.

Apartment 321, occupied by F. G. Robbins, rent increased from \$62.50 to \$65 per month.

Apartment 322, occupied by Congressman Briggs, rent increased from \$37.50 to \$40 per month.

Apartment 417, occupied by E. H. Neumeyer, jr., rent increased from \$70 to \$75 per month.

Apartments 503 and 504, occupied by ex-Senator Thomas, rent increased from \$195 to \$250 per month.

Apartment 521, occupied by Col. L. D. Glasser, rent increased from \$65 to \$70 per month.

Apartment 621, occupied by Maj. L. S. Morey, rent increased from \$67.50 to \$70 per month.

Apartment 628, occupied by Senator Harris, rent increased from \$185 to \$185 per month.

Apartments 700, 701, and 702, occupied by Senator Kendrick, rent increased from \$207.50 to \$300 per month.

Apartments 709 and 710, occupied by Senator Jones, rent increased from \$200 to \$275 per month.

Apartment 712, occupied by Senator Walsh, rent increased from \$105 to \$120 per month.

Mr. REED. Proceed.

Mr. SINCLAIR. I simply want to offer this short brief.

Mr. HAMMER. What brief is that?

Mr. MILLSPAUGH. That is their brief in the apartment-house case.

(The brief referred to is as follows:)

## BRIEF ON BEHALF OF THE RENT COMMISSION OF THE DISTRICT OF COLUMBIA.

[In the Court of Appeals, District of Columbia. October Term, 1921. No. 3408. James L. Karrick and W. J. Pilling, appellants, v. James E. Cantrill, W. N. Fishburne, S. M. Nicholson, et al.]

This is an appeal from a determination of the Rent Commission, taken under the provisions of section 108 of the act of Congress known as "the food control and the District of Columbia rents act," approved October 22, 1919, which reads as follows:

"Sec. 108. Unless within 10 days after the filing of the commission's determination any party to the complaint appeals therefrom to the Court of Appeals of the District of Columbia, the determination of the commission shall be final and conclusive. If such an appeal is taken from the determination of the commission, the record before the commission or such part thereof as the court may order shall be certified by it to the court and shall constitute the record before the court, and the commission's determination shall not be modified or set aside by the court, except for error of law. If any party applies to the court for leave to adduce additional evidence and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission, the court may order such additional evidence to be taken before the commission and to be adduced upon the hearing in such manner and upon such terms and conditions as the court may deem proper. The commission may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which shall be conclusive, and its recommendations if any for the modification or setting aside of its original determination, with the return of such additional evidence. In the proceedings before such court on appeal from a determination of the commission, the commission shall appear by its counsel or other representative and submit oral or written arguments to support the findings and the determination of the commission."

By the determination in question the Rent Commission fixed the rents for 76 of 108 apartments in the apartment house known as the Monmouth Hotel, No. 1819 G Street NW., in the city of Washington, District of Columbia (Rec. pp. 16-19), upon the complaint of the tenants of said apartments, filed under section 106 of said act.

The case was heard by Capt. James F. Oyster, A. Leftwich Sinclair, and W. P. Richards, the assessor of the District of Columbia. Captain Oyster, who is now a commissioner of the District of Columbia, as is well known, has had large experience in practical business matters and, as the records of this court will disclose, has served many times on juries and commissions appointed in land condemnation proceedings to appraise and determine the value of real estate and to assess benefits resulting from the opening of streets or other improvements. Mr. Sinclair, as much he well known to this court, for a number of years had charge of the land-condemnation proceedings for the District and later had entire charge of the grade-damage suits resulting from the establishment of the Union Station and the abolition of grade crossings in the District, involving questions of the sale and rental values of real estate in nearly all sections of the District and the cost of construction of buildings. Mr. Richards, the assessor of the District, sat with the commission under the authority of section 104 of said act, which requires him to serve ex officio as an advisory assistant to the Rent Commission and to attend the meetings and hearings of the commission.

In requiring the assessor to serve as assistant to and attend the meetings and hearings of the Rent Commission, it must be presumed that Congress recognized that official's familiarity with the values of property in the District of Columbia, real and personal, and intended that the Rent Commission should have the benefit of his expert knowledge and judgment respecting property for which it might be called upon to fix fair and reasonable rents. It is fair to presume, also, that in placing the expert knowledge of the assessor at the disposal of the Rent Commission, Congress realized that the commission would be called upon to fix rents for many Government workers and others who might be unable to employ attorneys and expert witnesses to give testimony in their behalf. This view would seem to be warranted by the declaration that the procedure before the commission "shall be as simple and summary as may be practicable, and the commission and parties appearing before it shall not be bound by technical rules of evidence or of pleading." (Rents act, sec. 115.)

The business of renting property in the District of Columbia is deemed impressed with a public use, by way of analogy to railroad and other public-service corporations.

Rate making is a legislative or administrative, not a judicial, function. (*R. R. Co. v. Garrett et al.*, 231 U. S. 298.)

So long as the legislature acts within its proper sphere, courts can not substitute their judgment with respect to reasonableness of the established rates. (*R. R. Co. v. Garrett et al.*, *supra*.)

The determination fixing the rents complained of, which was made and filed on May 5, 1920, is based upon the evidence submitted by the respective parties and a view and careful inspection of the premises.

It is respectfully submitted that unless the determination of the Rent Commission is so flagrantly unjust as to justify the conclusion that it was influenced by improper considerations the court should not interfere; the view and inspection made by the commission is evidence, and it is impossible for the court to determine how far the determination is based on the other evidence or how far it is attributable to the Rent Commission's own observation and judgment.

In *Shoemaker v. United States* (147 U. S. 282), which was an appeal involving the condemnation of land necessary for Rock Creek Park, the court said:

"If, as we have said, the court below was right in refusing to restrict the commissioners to a mere consideration of the evidence adduced, then it would seem to follow that the court could not be legitimately asked, in the absence of any exceptions based upon charges of fraud, corruption, or plain mistake on the part of the appraisers, to go into a consideration of the evidence. The court can not bring into review before it the various sources and grounds of judgment upon which the appraisers have proceeded. The attempt to do so would transfer the function of finding the values of lands from the appraisers to the court. Such a course would have presented a much more serious allegation of error than we find in the objection as made.

"The rule on this subject is so well settled that we shall content ourselves with repeating that quotation from *Mills on Eminent Domain* (246) made in the opinion of the court below: 'An appellate court will not interfere with the report of the commissioners to correct the amount of damages, except in cases of gross error, showing prejudice or corruption. The commissioners hear the evidence, and frequently make their principal evidence out of a view of the premises, and this evidence can not be carried up so as to correct the report as being against the weight of the evidence. Hence for error in judgment of

the commissioners in arriving at the amount of damages there can be no correction. The commissioners are not bound by the opinions of experts or by the apparent weight of evidence, but may give their own conclusions."

In addition to the view and inspection of the premises it should be borne in mind that the commission "viewed and inspected" the numerous witnesses who appeared before it: it saw and heard the witnesses, observed their demeanor, and had the opportunity to compare them and to weigh and appraise their testimony.

There are many considerations that legitimately and properly enter into the question of the fairness and the reasonableness of rents for apartments, among which may be mentioned the following: Their character, location, size, condition of repair, and, if furnished, the condition and value of the furniture and furnishings, the present cost of reproduction, depreciation, the present fair market value of the property, and the character of service furnished the tenants, and "service includes the furnishing of light, heat, water, telephone or elevator service, furniture, furnishings, window shades, screens, awnings, storage, kitchen, bath, and laundry facilities and privileges, maid service, janitor service, removal of refuse, making all repairs suited to the type of building or necessitated by ordinary wear and tear, and any other privilege or service connected with the use or occupancy of any rental property, apartment, or hotel." (Rents act, sec. 101.)

The determination, it will be seen, was made by the commission about a year and a half ago, and appears to have been based upon the conditions shown by the evidence to exist at that time.

It would not be fair to the tenants, it is submitted, at this late day to disturb the determination. The conditions which the Rent Commission found to exist may have greatly changed since the hearing or the date of the determination. If there has been any change in the condition of the property or in the character of service furnished the tenants which would justify an increase of the rents, the appellants have a plain, adequate, and complete remedy before the Rent Commission. The commission has full authority to modify or set aside the determination (Rents act, sec. 111); and Rule V of the Rent Commission prescribes the manner in which applications to modify determinations shall be made, thus:

"When any determination, decision, order, or requirement of the commission is sought to be reversed, changed, or modified, on account of facts and circumstances arising subsequent to the hearing or of consequences resulting from compliance with such determination, decision, order, or requirement, which are claimed to justify a reconsideration of the case, the matters and things relied upon by the applicant must be set forth in a petition and every such petition shall be subject to the provisions of Rule IV."

#### RENT OF ALL THE APARTMENTS NOT FIXED.

It will be observed that the Rent Commission did not fix the rents for all of the apartments in the building, and that it was not asked so to do, either by the tenants of the other apartments or by the owner.

How can it be held that the rents fixed by the commission will not yield a fair return on the value of the property under consideration when the rents were not fixed for all of the apartments?

It is respectfully submitted that, even if the Rent Commission had not made a careful view and inspection of the premises, the court could not, in the light of the evidence submitted to the commission, interfere with the determination appealed from.

The complainants named in the petition, more than 100 in number, and other persons gave evidence tending to support the averments of the petition (Rec. 39), which averments (Rec. 1, 2) were as follows:

"Petitioners represent that the owners and managers of the apartment house are delinquent in their duty and obligation toward your petitioners in that they—

"(a) Fail and refuse to furnish heat sufficient to maintain a comfortable temperature in the apartments, but that, on the contrary, they are uncomfortably cold, and during colder weather are actually dangerous to the health of occupants.

"(b) They fail and refuse to furnish adequate supplies of hot water, and often no hot water at all, and have so failed and refused for a continuous period of at least 10 days.



"(c) They fall and refuse to furnish proper or even convenient elevator service and often no service at all, so that your petitioners have been compelled to use the stairs, a hardship amounting almost to an impossibility on the part of certain of your petitioners living on the higher floors who are advanced in years and delicate in health and physique. That your petitioners have often been compelled to either use the stairs or ride in elevators the floors of which were wet from hauling ice up and filthy from garbage being hauled down.

"Your petitioners further represent that complaints to the owners or managers for redress have been received with indifference, contempt, and sarcasm amounting to insolence, and that no attention has been paid to or improvement indicated as a result of such complaints.

"Your petitioners further represent that the rentals charged for individual apartments are unreasonable, unfair, and exorbitant even had high degree of service been maintained."

A number of complainants testified that "they were such tenants in January and February, 1919, and that the apartments they occupied were uncomfortably cold and that beginning in December, 1919, and also in January, February, and March, 1920, the apartments were for considerable periods of time without sufficient heat, so that they had been compelled to go to bed to keep warm or to walk out doors for warmth." They also testified that in 1919 and to the present time they were without hot water at frequent intervals and that this failure to furnish hot water and provide sufficient heat had lasted as much as 10 days at a time. They further testified that the elevator service was bad; that there were two elevators, one of which was supposed to be used for freight and was used to carry garbage and refuse from the upper floors; that frequently both elevators were out of service and they had been compelled to walk up and down stairs, and at other times one of the elevators was out of service; that they had been compelled to ride in the freight elevator, which was kept in an unclean condition; that the garbage was collected from just outside the doors of apartments and was sometimes left standing for some hours in the morning and became strewn about the halls; that the halls were kept in an unclean and insanitary condition; that they had complained of conditions and had been told they could move if they were not satisfied, and that the foregoing conditions continued with only slight improvement at times. That in their opinions the rentals charged for their apartments were exorbitant, each petitioner stating the price paid for the apartment occupied by him or her. Also that in rains moisture beats into certain apartments. The petitioners occupying furnished apartments gave a list of the furniture in their apartments, and many described the furniture as broken down and unsuitable for use. (Rec., 39-45).

Charles S. Holloway (Rec., 40), an architect of 20 years' experience, testified that garbage was lined up in the public hall in the evening and in the morning; that the elevators were unsuitable; that they were not passenger elevators, but what are put in factory buildings and warehouses, and would not work; that Karrick admitted he bought second-hand elevators, motors, and boilers; that he had built houses for trust companies that were known as tenement houses, and "that is what this thing would come under the head of. There is no incinerator in there. Imagine, in a modern apartment where your neighbor will put out his garbage can and set it out in the public hall where my friends come in and other people's friends come in. And they are not cleanly with the garbage either; there is paper strewn all over the hall. In the morning there are four or five barrels in the hall from one end to another, and the odor is simply terrific. It is positively insanitary." Holloway further testified that the heat had not been regular; that they had asked him to look into it and suggest what to do to improve the heating apparatus; that the management was bad; that the windows were never cleaned, and no service was given; that \$60 to \$65 would be plenty of rent for the apartment he occupied, and if he could have gotten another one with some modern conveniences and conveniently located he would not have signed another lease; that there were no fire escapes in the building, unless the stairways are called fire escapes; that there were no iron doors on the stairways; that the inspector of buildings should know of the conditions; that the Monmouth was a third-rate tenement house and would not come under the head of an apartment house; that it is a very ordinary tenement house, and that Karrick could not possibly make a hotel out of it; that the regulations were not enforced there. (Rec. 40, 41.)

Mrs. Jack Hammer, the manager of the Monmouth, testified that they have a great deal of trouble during the cold weather with the heat and had experts

go over the heating; that the fault was with the plant; that they have a great deal of complaints as to lack of hot water; that she had received much complaint as to elevator service; that there were men repairing all the time, but they could not get as many paper hangers and painters as they would like; that Mr. Karrick was greatly distressed about the heat when the complaints became so great; that the Monmouth is an apartment house and never had been a hotel and had nothing about it to call it a hotel; that the heating and the elevators were the two things that were wrong with the house. (Rec. 42, 43.)

Harry S. Plager, Karrick's superintendent, testified that they had trouble with the heating plant and the elevators and did all in their power to remedy them by experiments made on suggestions from engineers; that they could not get new elevators, and when trouble developed almost at the beginning they got an electrical contractor, who was positive new motors would remedy the condition; that they were put in, but still trouble continued with the elevators and the service was poor; that there had been failure to give heat, but principally during the times the fires were being cleaned; that they were burning more coal than they ought to burn; that there were second-hand radiators in the building; that there are 108 apartments in the building; that "I think those apartments, with heat and elevator service, \$60 or \$65 is a reasonable rent." (Rec. 43, 44.)

W. J. Pilling, real estate broker, testified that he knew some apartments were not getting their share of the heating; that he reported the condition to Mr. Karrick, in whom lay authority to remedy conditions; that the furniture in the apartment house cost \$22,500 originally, and that between \$2,500 and \$5,000 of furniture had been added. (Rec. 45.)

Clarence L. Harding, an architect, testified that there were 946,312 cubic feet in the Monmouth, and that it would cost from 60 to 65 cents per cubic foot to construct the Monmouth. (Rec. 47, 48.)

Bates Warren testified that if a man rents an apartment for \$40 a month and he is promised heat and elevator service, first-class service in every respect, and he fails to receive it, the landlord is not entitled to the rent; that it would cost 60 cents a foot to build the Monmouth. (Rec. 51.)

Harry Wardman, who was Karrick's (defendant's) own witness, and who has built a great many apartment houses in Washington, including some during the war, testified that he had sold or traded to Karrick some secondhand material from two old buildings when he built the Department of Justice Building, and he had seen some of this building material—window frames and doors—on Karrick's lot on G Street, but he did not know it went into the Monmouth; that he made a deal with Karrick and there was to be about 300,000 bricks on the lot, but after he got it there were only about 40,000; that he would not particularly say he got stung; that "some people might think I was stung, but I just considered the source and let it go"; that he would not say he was friendly and he would not say he was prejudiced against Karrick; that he (the witness) did not raise his rents according to the demand; that he would not get as much as he could for apartments because of the necessities of the people; that conditions of the failure of the heating plant and of the elevators could not occur in buildings he constructed, and if they did he would take the elevators out and put others in, and if the heating plant did not heat it evidently was cheap construction; that it could and would be corrected by him; that if he (the witness) had an apartment of 250 or 300 people who paid \$60 for two rooms and bath, unfurnished, and failed to give them heat and failed to give them elevator service, they ought not to pay any rent at all; that he would be willing to let his tenants stay in the building without paying rent if he failed to give them heat (Rec. 53, 54, 55); that if he (the witness) had an apartment and bought \$22,500 worth of furniture and received in one year a rental for that furniture of \$20,000 he would not call that a fair profit by any means; that he would say it was very excessive profit (Rec. 63); that "it never cost over 35 cents to build the Monmouth"; that "I will enter into a contract right now, under these conditions, to build it for 35 cents a foot" (Rec. 70); that "I said that I had visited the lot, and the lot was filled with secondhand materials, which I feel reasonably sure went into the building, and it was the same way with the elevators. I will bet they are nothing but a lot of secondhand elevators, and the same way with the heating plant and the boilers; nothing but junk." (Rec. 71.)

Mr. Plager, who was recalled as witness, testified that he made a protest as to the personal tax of \$10,000 levied on the Monmouth and had sworn in it on

February 13, 1921, that the personal property in the Monmouth was not worth over \$5,000 when the assessors asked him what it was worth; that he did not believe it was; that if put up at auction he did not think it would bring over \$2,000. (Rec. 74.)

Maxwell S. Cooley, a graduate of Cornell and a mechanical and electrical engineer, testified that he had been employed by Mr. Karrick in December, 1918, to see if the heating system had been properly installed; that he was in the Navy and could work only nights and Sundays; that he found the southeast corner of the building, which took in three apartments on each floor, was cold, with no heat in the mains or radiators; that he spent some time working a cure without shutting down for over an hour or two; made those changes and that side started to heat; that about 25 apartments were affected; that the hot-water supply was not adequate and some piping was not connected exactly right and there was a lack of a check valve in the circulating pipe, so that the spigot flowed both hot and cold water; that before Christmas time in 1919 there was a heater of double capacity installed; that as originally installed the heating and hot-water systems were entirely separate, with separate chimneys, but with the small hot-water chimney inside the big one; that when the other heater was put in the two chimneys were cut together at the bottom, the bottoms knocked out so that they would come together, and the new heater was connected with the chimneys that supplied the heating boilers; that two flues were left connected at the bottom; that what happened was what generally happens; there was a down draft from the small flues which mixed with the heat, the hot air, from the big flue, which cut the capacity down to about half; that the result was they did not have sufficient heat, because it took about two and one-half to three hours for it to heat up after they cleaned the flues; that the only thing they could do in the winter was to send an engineer up on the roof and block the top of that flue off, which helps, because there is no cold air coming down, but part of that is not useful at all; that it is blocked off entirely; that we expected to go in there this summer and cut that flue out. (Rec. 86, 87.)

Blake Palm, in rebuttal, testified that he had sold to Mr. Karrick the two elevators in the Monmouth for \$1,250 apiece; that the elevators came from the Southern Railway office building, where there had been a fire; that Karrick had paid him \$1,875 and refused to pay the balance; that Karrick said he would like to see the elevators run; that we had completed our contract and turned over to him the certificate of inspection of the District, conferring O. K., and we thought we had completed our contract, and we insisted upon our money; that the elevators were guaranteed for one year against mechanical or electrical defects; that he had not been back there to repair or look after the elevators; "I went to see Mr. Karrick about it and offered to furnish the new controllers for the elevators. If he thought these were not satisfactory, at actual cost, not accepting anything for my services, and he had already, without consulting us and using his own judgment, went ahead and purchased secondhand controllers and motors, and he said it was too late then or he would probably have accepted our offer"; that after the elevators were installed witness offered to put in new controllers at \$1,200 additional, and if that had been done they would have worked perfectly. (Rec. 96, 97.)

The amount of the rents as fixed by the commission, added to the rents not fixed, yields the appellant Karrick a net annual per cent of 14.73 on the total cost of the building and lot, and a net annual per cent of 21.70 on his equity in the building and lot, as is now hereinafter shown.

From the foregoing review of the evidence in the record, it is evident that the rents fixed by the Rent Commission were "fair and reasonable," as provided in the statute. The evidence justifies the fixing of the cost of the building at \$350,000 (see Wardman's testimony, p. 71), there being 974,000 cubic feet, which Wardman said could be built at 35 cents per cubic foot. The furnishings were not worth more than \$2,000. (Testimony of Plager, p. 74.) Add this amount (\$2,000) to the above cost of the building (\$350,000), and the total cost is \$352,000. The cost of the land at \$5 per square foot (Wardman's testimony, p. 54), and the lot contained 18,395 square feet (see brief of C. H. Merillat, for appellants, top p. 16), makes the total cost of building and land \$441,975.

The aggregate of the annual rent from the apartments (76 in all), as fixed by the Rent Commission, was \$41,460. Add to this the aggregate amount of annual rents from unfurnished apartments, not fixed by the commission, namely, \$18,120 (p. 81); add also the aggregate of the rents from the furnished apartments, not fixed by the commission, \$14,760 (p. 81); add also rent from café,

\$2,400 (p. 23), and east annex, \$1,800 (p. 23), and west annex, \$1,560 (p. 23), and we have a gross annual income of \$80,100, without adding what additional rent was received by Pilling for the furnished apartments.

The net profit on 22 furnished apartments which Karrick and Pilling received, after paying rent by Pilling and Karrick as partners to Karrick as owner, and also 35 per cent of the expense account (pp. 77, 93), was \$20,000. Add this amount (\$20,000) to the above amount of \$81,100 and we have a total of annual gross income of \$100,100.

The next question to consider is what expenses are proper to deduct from this annual gross income of \$100,100. Plager, Karrick's superintendent, testified that the annual cost of running the apartment house was \$35,000 (p. 43). This amount is undoubtedly correct when we eliminate certain items which the appellants claimed as expenses, but which were really first costs, and not chargeable to annual expenses. Deduct, therefore, this annual expense account of \$35,000 from the gross annual income of \$100,100 and we have a net annual income of \$65,100.

The next question to consider is what income or return this will and did yield on the aggregate cost of the building and lot (\$441,975). It is a return of 14.73 per cent per annum on the \$441,975 (total cost of the building and lot); but the testimony shows that there were two deeds of trust upon the property of \$180,000 at 5½ per cent; the interest on these two trusts per annum is \$9,900; deduct this (\$9,900) from the annual net income of \$65,100 and there is left an annual net income of \$55,200. The equity of the appellant Karrick in the property, after deducting the two deeds of trust, is \$261,975, and the above \$55,200, net annual income on the amount of Karrick's equity (\$261,975) is and yields 21.70 per cent per annum.

The determination of the commission does not result in confiscation, but is a liberal allowance as a return on the capital invested.

The determination should not be disturbed.

Respectfully submitted.

CHAPIN BROWN,

*Attorney for the Rent Commission of the District of Columbia.*

Mr. REED. It was the understanding we were to hear Mrs. Taylor.

Mr. HAMMER. Before beginning, may I ask, after the commissioners are heard does Mr. Millsbaugh have some more witnesses?

Mr. MILLSBAUGH. I have some landlords. I may have a tenant or two, I am not sure.

Mr. HAMMER. About how long do you expect to take?

Mr. MILLSBAUGH. I will be just as expeditious as I can.

Mr. HAMMER. Can we not have an understanding now as to the scope of these hearings or an agreement as to the scope of these inquiries and the dates our hearings are to close? Can we not meet every morning? We will meet to-morrow morning; it is our regular day.

Mr. MILLSBAUGH. To-morrow is our regular day.

Mr. HAMMER. Could we not agree to finish up this week?

Mr. MILLSBAUGH. I will do my level best.

Mr. HAMMER. The time is very limited for us. We must know that there is an impression that prevails that these hearings will be extended to such a length that it will be impossible to get this bill through with amendments, if amendments are desired, and it appears that they are, in order to get the law enacted before the 22d of May.

Mr. MILLSBAUGH. May I ask the gentleman where that impression is gained?

Mr. HAMMER. It is general.

Mr. MILLSBAUGH. I have not heard it.

Mr. HAMMER. You have not had ears to hear.

Mr. MILLSBAUGH. Maybe not; but I have my feet on the ground.

Mr. HAMMER. The opinion prevails with almost everybody that the purpose of these hearings is to defeat it. The purpose may not be to defeat. There may be some intention, and I do not attribute it to anyone, but I do hope we can have hearings every day.

Mr. MILLSBAUGH. As far as I am concerned, I have no objection to having hearings every day.

Mr. HAMMER. I think that at some time we ought to have Mr. Brown, the attorney for the commission, to explain what, in his opinion, these amendments should be.

Mr. MILLSBAUGH. I think you are right on that, and, as far as I am concerned, I want the assessor put on the stand.

\* Mr. HAMMER. The assessor is here, but he has been heard at the Senate hearings, and he states it will be practically a reiteration of the hearings we had last summer.

Mr. MILLSPAUGH. That is what we were told as to the Senate hearings, but I assure you this hearing is markedly different from the Senate hearing.

Mr. HAMMER. It is.

Mr. MILLSPAUGH. Yes.

Mr. HAMMER. It is in several respects.

Mr. REED. We will hear Mrs. Taylor. State your name and the position you hold.

#### STATEMENT OF MRS. CLARA SEARS TAYLOR, RENT COMMISSIONER.

Mrs. TAYLOR. My name is Clara Sears Taylor, and I am one of the members of the Rent Commission.

Mr. REED. You are a sworn officer of the District government?

Mrs. TAYLOR. A sworn officer of the District government.

Mr. MILLSPAUGH. Sit down, if you like to.

Mrs. TAYLOR. I think I can talk better standing up. Yesterday when I sat in the front row I noticed "knitting women" watching as if to count heads as they dropped into the bucket, just like the French Revolution. I felt as if I were being tried for my life instead of trying to discover whether the Rent Commission should be continued.

There were two points yesterday that ought to be cleared up. One concerns nonpayment of rent and the other the machinery of the commission at the present time. There is not now and never has been any justification for the nonpayment of one month's rent because a case happened to be pending before the Rent Commission.

Mr. MILLSPAUGH. Would it disturb you if when you meet these different issues I interrogated you, or would you rather I wait until you are through?

Mrs. TAYLOR. I am glad to be interrogated.

Mr. MILLSPAUGH. All right.

Mrs. TAYLOR. The same relief is afforded the landlord in the municipal court or through the District commissioners' office that has always obtained; that is, if there is a disorderly house being kept, or something is being done on the premises that should not be done, and the landlord takes the case to the municipal court in a landlord and tenant case, the tenant will be evicted. He will be evicted for nonpayment after the first month's rent has not been paid, no matter whether the case is pending or not.

Mr. MILLSPAUGH. Do you mean to state, then, that if a case has been brought before the Rent Commission and is pending there—

Mrs. TAYLOR (interposing). A rent case?

Mr. MILLSPAUGH. Yes; and an action is brought in the municipal court, that the court will proceed with it?

Mrs. TAYLOR. If it is a nonpayment of rent case. We have nothing to do with undesirable tenancies or nonpayment of rents. Time after time people come before us and say, "We dispute the sufficiency of the notice." We say, "Why do you dispute it?" Some one sets up the fact that this tenant is an undesirable tenant. We simply say, "You have no place before the commission."

Mr. MILLSPAUGH. One question I want to ask that would clarify the situation: Suppose John Smith is served with a notice of dispossession, and then within a day or so he goes before the Rent Commission and files a complaint with the Rent Commission? This I am asking for information.

Mrs. TAYLOR. Yes.

Mr. MILLSPAUGH. Files a complaint for a reduction of rent; will the municipal court go ahead with his dispossession case?

Mrs. TAYLOR. They will not dispossess him unless it is a nonpayment of rent case. He has not refused to pay his rent yet.

Mr. MILLSPAUGH. Suppose he is in arrears for rent?

Mrs. TAYLOR. All right. If in arrears he will be put out in the municipal court.

Mr. MILLSPAUGH. Will the municipal court act while the case is pending before the commission for reduction of rent?

Mrs. TAYLOR. There is no reason why the municipal should not act. If it does not it is no fault of the Rent Commission.

Mr. MILLSPAUGH. In cases pending they do not act?

Mrs. TAYLOR. I think they do. We have had cases where tenants have been dispossessed because they have not paid their rent and every time tenants come in to the commission we tell our clerks to tell them to pay their rent; they will be put out for nonpayment if they do not.

Mr. MILLSPAUGH. I am asking that for information.

Mrs. TAYLOR. Was that all?

Mr. MILLSPAUGH. That is all.

Mrs. TAYLOR. It seemed to me that you gentlemen had the impression that there was enough machinery to expedite the possession cases. I thought you went away with that idea that there was enough machinery down there to expedite these dispossession cases, that we could take care of them with the machinery set up now. That is not true in my estimation. It is not possible. The rent law was a new law. We had to operate under it, blazing our own trails. We did not have any paths cut out for us. We are only just now learning how to expedite things. We have worked along long enough to know how to do things, how many people we need, and so forth. We have worked two years, and a great many months of that two years were in an unsettled state before the Supreme Court declared the law constitutional.

We have decided now that if we could have five commissioners instead of three, and two could sit at a time, or even one could sit at a time, we could hear all these possession cases just as they come up and take care of them immediately. Nobody need wait a day over time. People are waiting for possession of their premises. They have to wait now sometimes. I will admit that. It takes us a long time to get to them. We tried to handle, 10, 15, or 20 cases a day. The result was that we did not have an opportunity for a real sincere deliberation of the cases before us. We worked at night. I will tell you something. The elevator stops running at 5 o'clock. We walked downstairs every night. That shows whether we worked long hours. Somebody accused us the other day of not being there very much. I am there from 9 o'clock to dinner time, and many times I have left at 8 o'clock p. m., and I have worked Sundays, as have the other commissioners, and all day Saturdays. I will tell you just exactly how much vacation I have had in the two years—exactly 14 days—and this two weeks included two Christmases and one Thanksgiving with my children. We have worked day and night. We have before us a thousand cases pending, and these possession cases can not be expedited without a larger force.

Mr. MILLSPAUGH. Do you not think that the commission has been a little too lenient with these lawyers that come representing clients and making the excuse that they have to go to another court and knock out the procedure of the commission? Do you not think the commission ought to be just as important as a court in a case of that kind?

Mrs. TAYLOR. I think that one lawyer is always too lenient to another lawyer. I have heard it said that a woman talked a lot. Before I got on the Rent Commission I had that impression, but now I believe the lawyers do a lot more talking. They do take a lot of time and they do put off cases and delay and delay and they nearly set us crazy. But that is one thing we are clearing up. We are making these hearings shorter and shorter and shorter.

I wanted to answer Mr. Humphrey's letter. I had not intended to, because it seems to me 2400 Sixteenth Street should not be reheard here. It was appealed to a higher court and will be tried there before one of the most brilliant attorneys in the United States. He set that case up before us, before the Rent Commission, in a masterly fashion, with nothing left out.

Mr. MILLSPAUGH. What attorney is that?

Mrs. TAYLOR. Mr. Rowland—one of the brightest legal mentalities in the United States. I can say that; and I think you will see that I am rather tolerant when you know that he has accused me of being dishonest—of seeking a \$5,000 salary by bending the pregnant hinges of the knee to some Senators. I can not understand it, because if that was so I would have failed in my oath of office. Women may be a little different from men. I know there are only three times in my life when I was so moved as I was when I took the oath of office. That was when I joined my church, and when I married my husband, and when my first baby was put in my arms. That oath of office means a lot to me. This commission had a great deal of work. I happened to know what it meant. I felt very humble; and when I took the oath of office, when I said "So help me God," that I meant to try my best to be absolutely honest and fair and square with everybody that came before us at all times. I think most of the lawyers will admit that even while assailing the rulings.

Mr. Humphrey's letter said there was no reflection on the integrity of the Meridian Mansions tenants. In my judgment, if the rent fixed by the commission seemed unfair to them they would have immediately protested. Not one of them came before us. There was no protest from tenants of the Meridian Mansions. Mr. Humphreys compared the rentals in Meridian Mansions with the fall of 1917, not with the fall of 1916. The rise in Washington had been already felt in the fall of 1917. The war had been started. It was then that my own hotel rooms had been raised in rent from \$40 to \$125—not in the Meridian Mansions, but the rise had been felt. I should add here that this included a natural rise from the summer rates.

Before deciding the desirability of the Walsh apartment which had been discussed so much one would have to go and see the apartment. It is in the rear of this house, and it is over a garage. It has structural defects. You made a little fun of the crack. It was really a structural defect. One thing noticeable was that there was a huge piece of plaster that had broken up. That apartment was not in the same class as any other apartment at the Meridian Mansions. It was the only one that was not in perfect order. Every other apartment was beautiful. No repairs were made in the Walsh apartment.

Mr. MILLSPAUGH. Was that the fault of the owners?

Mrs. TAYLOR. It is the fault of the owner that no repairs are made.

Mr. MILLSPAUGH. If they did not ask for any, but paid \$105 and got by with it, I do not see why he should ask for it. As to the apartment being in the rear, is it not true that a great many apartments that are in the rear in the Meridian Mansions and a great many other apartment houses are really desirable ones? For instance, my apartment is in the Ontario, and it is in the rear.

Mrs. TAYLOR. It overlooks a beautiful park.

Mr. MILLSPAUGH. But we also had a "hooch" mill below that. But, really, I would not trade my apartment in the rear for one in the front.

Mrs. TAYLOR. But it was over a garage. The garage was noisy and smelly. However, the point I am trying to get is you can not decide anything like that without seeing the apartment or without trying to go into the merits of the case.

Mr. REED. What apartment?

Mrs. TAYLOR. Senator Walsh's apartment.

Mr. MILLSPAUGH. How about the apartment just under it? Was this close to the garage?

Mrs. TAYLOR. But in good condition.

Mr. MILLSPAUGH. The one under that?

Mrs. TAYLOR. In good condition. All those apartments rented for less than in other tiers.

Mr. MILLSPAUGH. The garage would not affect the situation as between that apartment and those below?

Mrs. TAYLOR. It affected the whole tier. The rental placed on Senator Walsh's apartment was placed because of the total lack of repairs and the total depreciation for the time this building had been put up.

Mr. MILLSPAUGH. Had Senator Walsh made any objection before the Rent Commission as to the condition of his apartment?

Mrs. TAYLOR. I can not speak honestly about that, because I can not remember just how the complaint was worded. It seemed to me that he had. At any rate, a thorough inspection of the premises discovered that fact.

Mr. MILLSPAUGH. How much do you estimate it would have taken to have cured those defects?

Mrs. TAYLOR. I did not estimate how much it would take to cure the defects.

Mr. MILLSPAUGH. How could you, then, the difference in rent?

Mrs. TAYLOR. You can get the depreciation from the time the building was put up. What we did was to place a 14 per cent increase over the rental placed in 1918, if I am not mistaken. The rents were changed in the Meridian Mansions in the fall of 1920. The sworn testimony of ex-Senator Thomas disclosed the fact that just prior to the raising of the rents in the mansions Mr. H. L. Rust told him that he was getting a little over 8 per cent on his investment, but he wanted more. Now, if you consider the rental of Senator Walsh's apartment and it was found with the other rentals they were getting 8 per cent net, then a 14 per cent increase over that is pretty fair, is it not?

Mr. MILLSPAUGH. I would think so.

Mrs. TAYLOR. That gives a percentage which covered the increase of taxes and other normal increases but not taking into consideration any repairs at all. That was the reason for it.

Mr. MILLSAUGH. But I have been unable to get from Mr. Sinclair and unable to get from you so far—

Mrs. TAYLOR (interposing). What?

Mr. MILLSAUGH. What basis you used in determining that Senator Walsh was entitled to a rent of \$50 a month less than the tenants just below him in the same tier? You have stated that there was a crack in the wall; the plaster off. I asked you how much it would take to fix that, and you told me you did not know. If you did not know, what basis could you use? In other words, there is \$600 a year. You can do a whole lot in an apartment with \$600.

Mrs. TAYLOR. Well, when you are fixing a rent you have got to take into consideration more than just how much money it will take to replace a certain thing. Because all the time the tenant is living in those surroundings, he is living in a very depressed environment.

Mr. MILLSAUGH. Are you supposed to pay for the tenant's state of mind?

Mrs. TAYLOR. Let me tell you something: Mr. Kennedy asked us to put a monetary value on sleepless nights.

Mr. MILLSAUGH. Is a Senator's unrest any more valuable than some poor tenant who is living down here on G Street or in the southeast or northeast? Why a Senator?

Mrs. TAYLOR. It is just as valuable as Mr. Kennedy's inability to sleep, as he stated in the case that was before us at one time.

Mr. MILLSAUGH. Kept him awake?

Mrs. TAYLOR. He asked us to place a monetary value on those sleepless nights.

Mr. MILLSAUGH. I will be frank with you. My criticism is the fact that the Rent Commission has bowed to a Senator. I can not see why the Senator's unrest is any more than a Congressman's or a hod carrier's.

Mrs. TAYLOR. Never bowed to him at all. When we fixed the rent we did not know that it was his apartment. We had before us a long list of complaints.

Mr. MILLSAUGH. Did Mr. Sinclair know it?

Mrs. TAYLOR. I do not know. I do not know what is in his mind. I only know how I came to a decision in the matter.

Mr. MILLSAUGH. If you will tell me on what basis the \$50 difference was arrived at, I will hush.

Mrs. TAYLOR. My basis is this: We took the rental basis of 1919 and gave about a 14 per cent increase, thinking that was the normal increase of taxes and other items that had gone up automatically. There was a total depreciation on that apartment, and, moreover, there was a defect in the arch that went between two walls that kept the apartment from being desirable.

Mr. MILLSAUGH. Under the workings of the commission, then, the fellow who was in the apartment, who happened to have a cheap rent, would be in a good deal better position with the commission than a man who had been paying one of these exorbitant rents, under your own theory, then?

Mrs. TAYLOR. Would be in better position?

Mr. MILLSAUGH. Yes; before the Rent Commission.

Mrs. TAYLOR. No person is in any better position before the Rent Commission than another.

Mr. MILLSAUGH. As a matter of fact, Senator Walsh had the lowest rent of anyone in that tier.

Mrs. TAYLOR. Yes; he did; and he had the worst apartment in the whole apartment house, the only one that had any defects in it, the only one in which no improvements had been made. It stood out alone.

Mr. MILLSAUGH. There had been structural changes at his request.

Mrs. TAYLOR. There had been.

Mr. MILLSAUGH. There had not been in any others.

Mrs. TAYLOR. The structural defect was not at his request, and in the case of the walls that were fixed up, they were dirty.

Mr. MILLSAUGH. Had he ever asked about it?

Mrs. TAYLOR. I do not know about that. We have to fix the rental considering the condition of the property to-day. We can not take motives into consideration.

Mr. MILLSAUGH. You take the evidence.

Mrs. TAYLOR. Of course, we do.

Mr. KELLER. I can readily see from the evidence presented this morning that Mr. Walsh was not particularly keen on having his apartment changed, but was lenient, the rent being low, and the evidence shows his was made lower than other persons when you fixed the rent.



Mrs. TAYLOR. Always had been low. There must have been a defect, because Mr. Kennedy would not make his apartment low because he was Senator Walsh; it must have been because it was a defect.

Mr. KELLER. Assume that the Kennedy Co. said: "All right, we will charge \$50 more," and he pays \$50 more rent and stays as a tenant.

Mrs. TAYLOR. We would not know that.

Mr. KELLER. Anybody can draw that conclusion from the evidence presented here.

Mr. MILLSPAUGH. Do not the commission have the power under the law as it is in effect now to compel Kennedy Bros. to fix the apartments or penalize them?

Mrs. TAYLOR. We have never been successful in enforcing anything of the kind.

Mr. MILLSPAUGH. It is in the law.

Mrs. TAYLOR. We have never been successful in enforcing it. We have tried to.

Mr. MILLSPAUGH. Then you penalize him in another way.

Mrs. TAYLOR. We have tried it several times with owners. We have tried to have them fix the places up and then let us fix the rent, and they do not do it.

Mr. HAMMER. Do I understand the witness to say that they penalized the apartment of Senator Walsh, the owners of the apartment house knowing of the defects in that, or did you give what you thought was a fair value for the rent?

Mrs. TAYLOR. I can only speak for myself. I agreed to that rental for that apartment because I thought from 10 to 14 per cent increase over 1919 sufficient to cover all natural increases such as taxes, etc., and leaving out the cost of repair.

Mr. HAMMER. May I not inquire whether that apartment was also on the third floor?

Mrs. TAYLOR. Third floor?

Mr. MILLSPAUGH. The top floor?

Mrs. TAYLOR. No; not the third floor.

Mr. HUMPHREY. Senator Walsh is on the top floor.

Mrs. TAYLOR. I forget the number. I think the number of his apartment is 712. That is on the top floor.

Mr. MILLSPAUGH. I do not think it has been brought out and it may be true, but I want to ask for information. Is it not a fact that positively all the others of those tenants had agreed to a voluntary increase in their rent and Senator Walsh had not and then when this 14 per cent increase was added, naturally this unjust difference occurred?

Mrs. TAYLOR. It does not change the percentage over the 1919 rental.

Mr. MILLSPAUGH. You did not get my point.

Mrs. TAYLOR. Yes; I do. A number of people did not agree to it.

Mr. MILLSPAUGH. He had not paid the 1919 rate.

Mr. HUMPHREY. He is paying the 1917 rate.

Mrs. TAYLOR. The 1917 rate was put on in the fall of 1917 at the time that my rent was raised from \$40 to \$125. Washington had felt the raise. The new schedule was a war schedule.

Mr. MILLSPAUGH. I understand that; but you are not answering me. If Senator Walsh had refused to pay the increased rent, the voluntary increase that those others did agree to, then when the Rent Commission comes in and fixes the rent at a 14 per cent increase it puts a premium on Senator Walsh's refusal, does it not?

Mrs. TAYLOR. I should not say so; no.

Mr. MILLSPAUGH. I do not know why.

Mrs. TAYLOR. We put a 14 per cent increase on the 1917 rental. We are working on a war rental.

Mr. MILLSPAUGH. Why did you not take the other places on the 1917 rent?

Mrs. TAYLOR. We did. We gave them more than that, a 30 per cent increase in other cases.

Mr. REED. You put a 14 per cent increase on those who had voluntarily increased their rents, on to what they had increased it to.

Mrs. TAYLOR. We did not pay attention to whether they had made increases or not, because, as a matter of fact, we had little to do with it. We fixed the rentals.

Mr. MILLSPAUGH. But you said you took that basis.

Mrs. TAYLOR. Yes; but we did not pay any attention to whether he paid an increase or not. We had the 1917 basis, the original rental placed upon those during war times and the rental which Mr. Thomas said that Mr. Rust said netted him more than 8 per cent on his investment—but he wanted to make more. I do not think those men were profiteers and I am not in any way trying to hold them up as profiteers. I think just as the judge said in the Harry Thaw case, that we should not try the individual but the system, and this system is terrible. There is a rent intoxication here. Somebody over a mahogany desk suggests that the apartment on the second floor ought to rent for \$30 more and that on the third floor for so much more, and so on. The result is that there is a pyramiding, and when you get up to the roof you are paying a pretty high rental for exactly the same floor space. That was the thing in the Meridian Mansions. There has been sometimes a \$10 or \$15 or \$5 raise as the elevator goes up. I do not know why. But that is the way it was. I know that every time we fixed an apartment rental I would look at the floor plan of 2400 Sixteenth. I do not know anything about the other members, what their minds were doing, but prior to the time we fixed the rentals I think that there were no serious objections to the Rent Commission at 2400 Sixteenth Street.

They had a young man there, Mr. Jack Bowie, and I said to him, "If you had an apartment at 2400 Sixteenth Street, I would like to rent one." He told me of an apartment that he knew about that had a low rental. I said to him, "That is very low?" He said, "Yes; we have never properly adjusted those small apartments." When you accuse us of not making proper adjustments, I wish you would remember that and that Mr. Bowie is a fine upstanding young man.

Mr. MILLSPAUGH. Who was the first member of the commission to suggest the advancing of the Meridian Mansions case on the docket?

Mrs. TAYLOR. I do not know about that. I remember saying after this discussion with Mr. Bowie when he told me that these Senators were not meeting the increase of rent that they should, I said I do not think that was exactly fair. That suggestion came from me because I thought it was unfair to the owners if the Senators were not meeting those increases and were not asking for relief from the commission. I did not know then that they had filed petitions in the Rent Commission. That is what I decided about it. I did not know about other petitions.

Mr. MILLSPAUGH. About a week before the public notice that the commission would investigate the Meridian Mansions, did you say to a gentleman in Washington that they were going to throw a bomb into the real estate world; there were many prominent men as tenants who did not want to make public complaint to the commission, so the commission was going to investigate on its own motion.

Mr. HAMMER. Who was the man?

Mrs. TAYLOR. I would like to know. I do not recall anything such as that.

Mr. MILLSPAUGH. Did you make any such statement?

Mrs. TAYLOR. I do not recall. Can you tell me the name of the man?

Mr. MILLSPAUGH. I probably will.

Mrs. TAYLOR. Yes.

Mr. MILLSPAUGH. A real estate man.

Mrs. TAYLOR. I do not remember it. I think that would have been a very foolish remark to make. I do not recall ever making it, but I will say, from time to time we had this matter of going in on our initiative brought before us. This was called to our attention, from time to time because in the same apartment house, one apartment would be brought up and two weeks after another one, we would have a hearing and take a lot of time fixing the rent for one apartment in one house. We were berated by real estate men. They came in and said, "Why do you not fix all the apartments in one apartment house so you can get the thing over." We had discussed it many times, even before Captain Oyster left, because we did not have much courage to do it while he was there, because that was in the time when that matter was in the hands of the Supreme Court, before the court had handed down its decision and the owners did not pay much attention to us and did not even come into the hearing room.

Mr. MILLSPAUGH. Here is a question I intended to ask of Mr. Sinclair yesterday and it escaped me. I notice that this bill, in the new bill, section 112 provides that: "If the owner of any rental property or apartment collects any rent or charge therefor in excess of the amount fixed in a determination of the

commission made and in full force and effect in accordance with the provisions of this title, he shall be liable for and the commission is hereby authorized and directed to commence an action in the municipal court of the District of Columbia to recover double the amount of such excess, together with the costs of the proceeding, which shall include an attorney's fee of \$50, to be taxed as part of the costs."

Is that in the present law? I notice that is in this bill.

Mrs. TAYLOR. That is the same.

Mr. SINCLAIR. That is identical with the language of the present law.

Mr. MILLSAUGH. It is?

Mr. SINCLAIR. Yes.

Mr. HAMMER. Does rental property in this law embrace apartments?

Mrs. TAYLOR. Yes; it does.

Mr. HAMMER. Section 101 provides that the term rental property does not include apartments.

Mrs. TAYLOR. I think you will have to read it clear through to get the full meaning; it says, "used by the tenant exclusively for a business purpose."

Mr. SINCLAIR. It states what the apartment shall be.

Mr. MILLSAUGH. Does the commission take cognizance of these cases now?

Mrs. TAYLOR. Yes.

Mr. MILLSAUGH. What is its method of doing that?

Mrs. TAYLOR. The procedure is to send these cases down to Judge Brown to take charge of them.

Mr. MILLSAUGH. How do you ascertain those cases?

Mrs. TAYLOR. We send out cards to all the people whose rents we had fixed asking them what rent they were paying. Many times tenants had moved out. We fixed the rent for the building, not for the tenant.

Mr. MILLSAUGH. Then if a tenant moves out, and the landlord, the owner of the property, after that tenant has moved out, makes some changes in the property, he can not increase the rent.

Mrs. TAYLOR. Yes; he can come back to the Rent Commission. There are a good many cases where there is an agreement with the new tenant to pay a certain amount because repairs have been made, and we listen to these cases all the time, where repairs are made.

Mr. MILLSAUGH. But he would have to wait six or seven months for a hearing.

Mrs. TAYLOR. I would not say six months.

Mr. MILLSAUGH. They are more than six months behind now.

Mrs. TAYLOR. You have some cases that were filed six months ago, but that does not mean that we have not heard any cases between that time and now.

Mr. MILLSAUGH. I think the chairman testified to that.

Mr. SINCLAIR. I stated many cases had been advanced so that in between there would be a good many cases heard. So it would not be fair to say that we are six months behind simply because there is one case six months behind, with other cases intervening.

Mr. MILLSAUGH. I am not talking about one case. I am talking about 800 of them.

Mr. SINCLAIR. Let us assume there was one case brought last September, the 1st of September. The pendency of that particular case would not mean that no case between that and the present time had been tried.

Mr. MILLSAUGH. I understand that.

Mr. SINCLAIR. Because there is a practice of advancing cases for hearing upon a proper showing.

Mr. MILLSAUGH. That is just the objection I am making, that pressure has been brought on the commission by Senators and millionaires to take up particular cases out of the regular order.

Mr. SINCLAIR. No; but the pressure that causes us to advance cases for hearing is brought in by the parties and is heard; we hear the motion and evidence is filed in support of the motion, and we decide whether the reasons assigned are sufficient to justify us in advancing cases over other cases.

Mr. MILLSAUGH. How often do you send out these cards to tenants where the Rent Commission has fixed the rent?

Mr. SINCLAIR. These cards?

Mr. MILLSAUGH. Yes.

Mr. SINCLAIR. I do not know; that is a detail handled by the secretary.

Mr. MILLSAUGH. I want to bring out that point.

Mrs. TAYLOR. We just keep them going.

Mr. SINCLAIR. They are going out every day. The statute makes it the mandatory duty of the commission to bring these suits for excess rent and we get those cards out and we are investigating just as rapidly as we can with the present force.

Mr. MILLSAUGH. One other very important thing while we are on that. Suppose a widow lady buys an apartment house and she does not go to the record; there is no record, in fact, no judicial record, showing the determination that the commission has made on certain apartments. She takes that apartment and she begins to collect the rent from the tenants after she has purchased it, and in two or three or four months she finds out that some tenant comes to her and exhibits a card to her from the commission. I want Mr. Hammer to get this, because I think he will appreciate it.

Mr. HAMMER. I am getting it.

Mr. MILLSAUGH. The tenant comes to her and says that determination had been made by the commission a year or two years before, and that he has been paying this excess rent, in fact, every tenant in the building, we will say. What position is that widow in? She had no way to find out about it.

Mr. SINCLAIR. She is in an unfortunate situation.

Mr. MILLSAUGH. She certainly is.

Mr. SINCLAIR. Everybody is presumed to know the law. The person purchasing an apartment house must take notice of a public act of Congress which provides for the fixing of rent by this Rent Commission, and provides that rents we fix shall continue in full force and effect until they are changed by the Rent Commission. There is a public docket there and the act of Congress provides that the proceedings of the Rent Commission shall be open to the public. We have a docket showing the date of the filing and of the determination and anybody can come in there and ask or inquire as to whether rents have been fixed in any particular apartment house or building and can easily ascertain that fact, just the same as they can about taxes and other matters. The act of Congress is notice to the public, to the property owner; the property owner must take notice of that. Before buying they can come down there and inquire whether the Rent Commission has fixed the rent or not. That is all I can say.

Mr. HAMMER. We have been consuming a great deal of time about this matter. I think we can clear it up. If Mr. Millspaugh had gone to the office of the commission not incognito to gain information as any man, as any lawyer goes to a court to get information, he could find out the condition of the docket. Of course, you can go around and investigate school buildings and schools incognito. The calendar is made up and you have the calendar; you have the docket.

Mr. SINCLAIR. Yes.

Mr. HAMMER. Your docket is like the dockets in all courts.

Mr. SINCLAIR. Yes.

Mr. HAMMER. For instance, in my home court there are 320 civil cases on the docket. Frequently cases are not tried for two or three years, but those cases are not tried because surveys have not been made of the lands in cases of that kind; the lawyers and witnesses may be absent, and by consent it is continued upon motion of one of the parties. Because a case is two or three years old does not mean they are two or three years behind with the docket. I take it you try your cases as in other courts, that sometimes cases are continued because you have not had time to investigate, because the evidence is not ready. You or the other parties to the action may not be ready to dispose of the case. But now you have in this bill asked for two inspectors to make these investigations, to help expedite the matters so that you will not have to go to look into the facts yourselves. I take it that is an explanation of it. Frequently the cases are not ready to be heard because the evidence is not there.

Mr. SINCLAIR. Often that is true.

Mr. HAMMER. I think that explains the situation.

Mr. MILLSAUGH. It is a poor explanation for the condition of the docket.

Mr. SINCLAIR. Let me tell you about that docket. It is a book.

Mr. MILLSAUGH. I am familiar with it.

Mr. SINCLAIR. Only one person can work on it at the same time. It would be physically impossible for her to make any more entries than she does make upon that docket. That is not a question of advancing, of course. But you said the other day there was not enough detail there.

Mr. MILLSAUGH. No; there is not.

Mrs. TAYLOR. This is what we have done. We have a system of filing on cards, and we file on the yellow cards everything that has to do with the tenant and on the blue cards everything that has to do with the owner. But you can see how Mr. Kennedy or Mr. Rust of the Meridian Mansions would not want anybody to come in and go over the blue card and see exactly what is paid and all the detail that is given, see what is paid, naming the apartment, but if you come down there you would have access to every card. We do not give everybody access to those cards, because we want to protect the owner. I would have been glad to have told you about it.

One more thing about advancing, and that is this, that the cases that we advanced, those cases were not jeopardized in any way because the decision dated back to the filing of the petition, while the decision in this case marked the time from which they started to get the rental. Advancing makes little difference.

Mr. MILLSPAUGH. I did not quite get that, Mrs. Taylor.

Mrs. TAYLOR. Referring to 2400 Sixteenth Street, when we came to that we appraised the rental and considered it, dating back to the time of the filing of the petition. While the rental was not fixed in any apartment we took all the legitimate data we could gather in an effort to determine—

Mr. MILLSPAUGH (interposing). Yes; but there is the point I am making. A tenant comes in and makes a complaint before the commission and if he does not pay his rent for six months or seven months or until the commission hears the case, that has worked an imposition, has it not, in many cases?

Mrs. TAYLOR. Well, if he does not pay his rent and keep it paid he can be put out. The commission can not do anything to help him. That is a matter for the municipal court.

They spoke about the tenants not appearing. There were a great many tenants who came down there for the hearings and who said—

Mr. MILLSPAUGH (interposing). You are referring now to 2400 Sixteenth Street?

Mrs. Taylor. 2400 Sixteenth Street. There were a great many tenants who appeared there the first day. There were a number of people who came down there but they asked us whether or not they should remain. There were no complaints so far as service was concerned, or so far as upkeep was concerned, and, therefore, all that they could have done would have been to reiterate so far as floor space is concerned and with regard to the desirability of the apartments, so there was not any necessity for them remaining. That is the only reason that they did not remain.

Now, as to 2400 Sixteenth Street, I think it was said that there was no complaint with regard to the payment of the rent, and I suppose that that is true. I think that the rich people usually really do not care; but that could make no difference with the rent commission, because we are interested in seeing that the rents are equitable and fair. We can not fix a rental with respect to a man's pocketbook. They may be able to pay their rent, and yet they may be paying an unfair rent.

They said that the greatest reductions were made on the large apartments. The greatest reductions were made where the increases had been the greatest and we certainly tried to keep a fair, equitable adjustment throughout the building.

Mr. MILLSPAUGH. Well, Mrs. Taylor, Mr. Sinclair, yesterday in his testimony, said that the commission placed the burden of proof upon the tenant.

Mrs. TAYLOR. In possession cases; yes.

Mr. MILLSPAUGH. Yes; and do you not place the burden of proof upon them as to the rental cases; the amount of rent?

Mrs. TAYLOR. No; we do not.

Mr. MILLSPAUGH. You do not?

Mrs. TAYLOR. No; we do not put the burden of proof upon anybody. We try to get all of the information we can, and then decide what seems reasonable.

Mr. MILLSPAUGH. So that if a tenant comes in, appears before the commission, as in the case of Senator Walsh, where he made no complaint as to the conditions of the apartment, or the rent, the commission takes his place?

Mrs. TAYLOR. Now, if Senator Walsh had not appeared himself or by representation and on his own petition, we would not have taken up the matter but would have dismissed the petition. We would have dismissed the case in his absence if we had not already taken the house up on our own initiative, and were fixing the rents on all apartments. We inspected the property and took

all of the information given us by the owners and then put a fair and reasonable rental on it.

Mr. MILLSPAUGH. Well, Mrs. Taylor, if Senator Walsh preferred to live in an apartment that was not tidy and was in an insanitary apartment, in disrepair, as I think you called it, would you believe that it is the function of the commission to penalize the landlord simply because Senator Walsh wanted to live in that kind of an apartment?

Mrs. TAYLOR. Now, Mr. Millspaugh, you are assuming that we fixed the rental for Senator Walsh. We did not. We fixed the rent for the apartment. Now, we did not take into consideration who was living in the apartment, but we took into consideration the apartment itself, and how it was managed and we fixed the rental on that according to the schedules.

Mr. MILLSPAUGH. I thought that you fixed the amount according to the conditions.

Mrs. TAYLOR. Of course, we did, but according to the schedules, and we did it exactly that way regardless of whether it was occupied by Senator Walsh, Mr. Rust, or anybody else.

A tenant can not break a lease. A tenant can not break a lease, neither can we in the Rent Commission. There is just one thing that we can do and that is fix the rental itself.

Mr. MILLSPAUGH. As a matter of fact, does not the Ball Rent Act permit a tenant to break a lease; is not that the object of it?

Mrs. TAYLOR. It does not. You can not change the terms of a lease. But just let me tell you one thing, Mr. Millspaugh; just let me give you one instance. There was a man called down here in the service of his country from Pennsylvania, and he brought his four little children and his wife and tried to find a place to live. It took practically all of the money he had to come here. He came here expecting to find a place to live. Remember he was in the service of the country. He spent all of the money he had in a hotel while he was hunting a place to live. He was walking the streets almost crying, trying to find a place to live.

Then he was obliged to sign a lease at \$35 a month to get a place to live. They called it an apartment, made by putting a partition around the furnace, and they called that two rooms, a back room and a front room, for which they charged him \$35, and he had to sign a lease to get that, or else he would be out on the street, have his wife and four little children out on the street.

The place was dark and cold, and when we saw them, the little children had cloths around their throats. They had caught cold. They had been sleeping in that basement, and I would not be surprised if they were not all dead.

Mr. MILLSPAUGH. Does that condition prevail at this time?

Mrs. TAYLOR. Not so general.

Mr. MILLSPAUGH. Conditions have become a little better than that now?

Mrs. TAYLOR. Yes, sir; just a little.

Mr. SPROUL. I know of an instance where a man was paying \$22 a month, and there was a death in his family and he had to go and take care of his relatives, and the house was leased again by the owner at \$135, and a contract was made whereby the tenant would not take advantage of the Ball Rent Act during the term of the lease, or any other law which might be enacted; and I can give you the names if you want them.

Mrs. TAYLOR. Well, I know of many of them. I know so many that it would be impossible to enumerate all of them.

Mr. MILLSPAUGH. Now, I was speaking of apartments for rent. There is a list of apartments, furnished and unfurnished, from last Sunday's Star that is 3 yards long [exhibiting clippings to committee]. Do you think that there was any such a condition as that when this law went into effect?

Mrs. TAYLOR. Well, now, I will state this—

Mr. MILLSPAUGH (Interposing). I am not going to put this in the record.

Mrs. TAYLOR. I would state this, that every time there is a hearing planned on the rent act before Congress, before the House committee or the Senate committee, every time the papers are full of apartments to rent, and when you call them up you find that they have not got any to rent, or, at least, I can not find any.

Mr. MILLSPAUGH. You charge that—

Mrs. TAYLOR (Interposing). I charge it to propaganda.

Mr. MILLSPAUGH. You charge this to the people having apartments to rent—to the landlords, do you?

Mrs. TAYLOR. I do not charge it to anybody, to any agency, but persons—

Mr. MILLSPAUGH (Interposing). I say, you charge it to the landlords?

Mrs. TAYLOR. It is a part of the propaganda, a part of the propaganda that is being put forth.

If you will examine that list you will probably find that there are a lot of those apartments that are for rent for one month. Those are apartments that are rented for a month or two by people who are going away for the summer or going away on a vacation some place. There are hundreds of them that are for rent for one month, but that is not taking care of the population of Washington.

There is another point that has been made, and that is that we have been discriminating in favor of influential people that are powerful politically. Of course, I live out West, where all men are equal and their opportunities are equal, and where the women have the same opportunity as the men, and where the people do not bow down on their knees to anybody. I never bowed down on my knees to anybody in my life.

Mr. MILLSPAUGH. I live in the West, too. That is the reason I object to this system.

Mrs. TAYLOR. I would object, too, if that were true that you think is true. I would object, because I would think that it was unjust, and I would be ashamed to accept one penny of this \$5,000 that I get for the education of my children. I would not be willing to earn the money for their education in that way.

Now, with regard to the charge of discrimination. Will you please tell us why we are fixing the rentals up at the Chastleton, which is owned by the richest American Senator, Senator du Pont. I do not know why we should continue that case if that charge can be true.

Mr. MILLSPAUGH. Is that apartment owned by Senator du Pont?

Mrs. TAYLOR. It is owned by Senator du Pont's wife.

Mr. MILLSPAUGH. Are you sure that it is owned by her?

Mrs. TAYLOR. She has a corporation now.

Mr. MILLSPAUGH. Is that a matter of record?

Mrs. TAYLOR. Oh, yes; it is a matter of record. I would not be making this statement if it were not a matter of record before the Rent Commission.

(After a member of the audience conferred with the witness.)

Mrs. TAYLOR. I am informed that it is not owned by Senator du Pont's wife. I am wrong about that. I thought that it was owned by Senator du Pont's wife. I thought that it was owned by her, so my motives were just the same. You have been attacking my motives. My motives were just the same as if it had been owned by Senator du Pont's wife, because I thought it was. I am not dishonest in my motives, anyway.

Mr. MILLSPAUGH. I am not charging you with that, Mrs. Taylor.

Mrs. TAYLOR. I would not object so strongly if it were not for my children, but because of my children I feel that I have to object to any of these charges, because anything that affects my reputation affects them. If it were not for them, I would not object, because I would be alone. I am one of those widows about whom you spoke a few moments ago, and I am trying to educate a couple of children, although I suppose I should not bring that in. We should not be personal about this matter.

Now, I want to say with regard to Mr. Humphries getting sore about his rental showing less decrease than others in the same tier.

Now, we fixed those rentals this way.

The management had fixed the rentals of 214 at \$130; 314 at \$140, \$10 more; 414 at \$150, \$10 more than 314; 514, \$155, \$5 more; 614, \$160, \$5 more; and \$714, \$160. We could not understand \$5 increases sometimes and other times \$10, so we tried to adjust them. Now, we fixed them this way—214 at \$125. When we got up to 314 we added \$10, making \$135, because we thought that floor was better than the ones lower down, near the street, but not so much better.

Then, after we got to the fourth floor we could not see that there was much difference, except to the people that wanted to look at airships.

So that after we passed the second and third floors we made all rentals the same, \$140.

Now, you can see why the decrease would be a great deal more on the apartments on the floors above the third floor, because the owners had placed 614 and 714 at \$160. That was a difference of \$30 over the second floor. But when you get down to Mr. Humphreys, in 514, which was reduced to \$140, there was only a \$15 decrease, because we felt that we would not be doing just the right thing if we did not make a schedule to which we could conform in other tiers.

It is absolutely untrue that Senator Gooding is paying a rental of \$40 for one of his apartments, and I do not know how anyone could come to that con-

clusion, because there was not a rental in the 29 tier which was not in a combination, and there was no basis for their assumption.

I am going to analyze that combination later.

Now, then, down here he says—he argues that rents are not properly adjusted in the 10 tier, and that we were influenced there. Now, I resent that hotly, because that tier, No. 10 tier, has some of the finest men in Washington. I do not know whether they are rich or not, because we do not have any Bradstreets. We really do not know who is rich and who is not. I do not know how powerful they are, but they are fine men; as fine men as there are in Washington. It has been said in effect that we have been snobbish. That is not so. I know too much about psychology, I hope, to believe that I could be snobbish with people like that, and I would not be even if I desired to.

Now, with regard to the amount of the rentals as fixed by the owners, let me tell you that 210 rented for \$225 then; 310 rented for \$290. That was a difference of \$65, is it not?

Four hundred and ten rented for \$290. The rest were combinations.

Now, the reason why we fixed the rental at \$200 on that apartment is because unquestionably that is an undesirable apartment, because it is right over the servants' quarters. That kitchen is the only one in which you can find roaches. That is the only one in which you can find them. That kitchen is full of roaches, because it is right up over the servants' quarters. It is a noisy place, and it is not a good apartment.

And to show you that the owners thought that it was not a desirable apartment we have shown you that it rented for \$225, and that the apartment just over it rented for \$290.

Now, we fixed that at \$200, and the other apartments we fixed at \$230, or a \$30 difference and not \$65. If they are talking about discrimination, it seems we would be discriminating against the Senator in a floor over the second floor instead of discriminating in favor of him.

Mr. MILLSPAUGH. I see. You put a difference of \$50, or a difference of \$50 on the roaches. I just want to get at the basis.

Mrs. TAYLOR. They made a difference of \$65 for the roaches; the owners put on a difference of \$65 for the roaches, and we made a difference of \$30.

Mr. MILLSPAUGH. That is the real reason why?

Mrs. TAYLOR. Not ours. I do not know their reason. Perhaps they have a complex of roaches. I do not know.

Now, Mrs. Smith's apartment rented for—

Mr. MILLSPAUGH (interposing). When you are through, I just have one or two little questions which I would like to ask you, but I do not want to interfere with your testimony, Mrs. Taylor.

Mrs. TAYLOR. Mr. Thomas—you were speaking of the Senators being so rich, and interested. Mr. Thomas said that it took over one-quarter of his salary to pay the rent.

Now, I have here some combinations of apartments that I have referred to, some information on them that I can give you, if you wish them.

Mr. MILLSPAUGH. What is that?

Mrs. TAYLOR. This is information with regard to combinations that have been referred to. I can put them in the record.

Mr. MILLSPAUGH. Well, whatever the chairman desires. I am not particular about it.

The CHAIRMAN. What is that?

Mrs. TAYLOR. This is some information I have here with regard to apartments. I can put it in the record, if you wish.

The CHAIRMAN. If you wish to offer some additional matter on one or two apartments, that you think will give additional information to the committee, it will be satisfactory.

Mrs. TAYLOR. I can put it in the record.

Mr. MILLSPAUGH. I do not have any objection.

Mrs. TAYLOR. It is an analysis.

Mr. MILLSPAUGH. I do not wish to restrict you in any way.

Mrs. TAYLOR. Shall I read it or put it in the record?

Mr. MILLSPAUGH. I think it would be better for you to put it in the record. I am satisfied now.

Mr. REED. Has any member of the committee any objection to Mrs. Taylor putting this matter in the record? If not, it may go in the record.

Mr. MILLSPAUGH. I think that it is all right to put it in the record. I think that you have made yourself clear enough.

Mrs. TAYLOR. I shall put it in the record.



## 100 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

(The matter referred to above is printed in the record in full, as follows:)

As to combination of apartments referred to: Senator Culberson has four apartments, which include one major or family apartment of six rooms and two baths, two little one-room and bath apartments, and one apartment of two rooms and bath. This may be a good many apartments to be used by one family during a period of congestion, but the Rent Commission did not rent four apartments to any one family; they were rented during the war period by Kennedy Bros. and H. L. Rust. These apartments are Nos. 300, 301, 302, and 329. They are on the front of the building over the entrance, where they get the noise and dust arising from the entrance of hundreds of automobiles, etc. In order to arrive at a rental for these four apartments, we took the rental already placed on similar apartments on the second floor. No. 200 we had fixed for W. M. Kennedy, one of the owners, at \$45. No. 201 we had fixed for W. M. Kennedy, who you may observe had two of the four apartments referred to when Mr. Humphrey, in effect, called Senator Culberson an apartment hog. No. 201 we had fixed at \$200. No. 202, occupied by Ted Kleh, manager of Meridian Mansions, at \$35. The other apartment was No. 329. The rental placed upon this apartment, unfurnished, was \$80. Now, if you will add these figures together:

Apartment No. 300	-----	\$45
Apartment No. 301	-----	200
Apartment No. 302	-----	35
Apartment No. 329	-----	80
Total	-----	360

Now, we considered that the depreciation in apartments rented by one family much less than the depreciation would be in an apartment rented to four families. In some instances we discovered that the owners had reckoned on that depreciation at from \$10 to \$15, especially in cases where one room and bath had been added to a large apartment for service quarters. Against this \$10 or \$15 difference for one room and bath we made a difference of \$10 for three apartments, two of which had one room and bath and the other two rooms and bath.

Nos. 424 and 425, \$195; Gooding. Nos. 724 and 725, \$195; Beach. Nos. 624 and 625, \$195; Durham. These combinations were based on No. 524, \$80 furnished, \$40 unfurnished—No. 424, \$35. No. 525, \$170—No. 425, \$165; \$5 for lack of depreciation.

Thomas combination: Nos. 503 and 504, \$250, a raise of over 30 per cent over a 1920 schedule. Nos. 403, \$40, and No. 404, \$215, a total of \$255, and \$5 subtracted for lack of depreciation in a combination rented by one family.

*Gross discrimination in tiers.*

	Owner's rental.	Rent Commis- sion's rental.		Owner's rental.	Rent Commis- sion's rental.
<b>Tier 4:</b>			<b>Tier 12:</b>		
204	\$230.00	\$205.00	212	\$155.00	\$150.00
304	240.00	205.00	312	165.00	160.00
404	240.00	215.00	412	175.00	170.00
Combination	195.00		512	180.00	170.00
604	250.00	215.00	612	185.00	170.00
704	220.00	215.00	712	105.00	120.00
<b>Tier 6:</b>			<b>Tier 23:</b>		
206	37.50	37.50	223	30.00	35.00
306	75.00	75.00	323		
406	65.00	80.00	423	70.00	75.00
506	80.00	80.00	523	35.00	37.50
606	70.00	80.00	623	40.00	37.50
706	75.00	80.00	723	37.50	37.50
<b>Tier 7:</b>			<b>Tier 29:</b>		
207	235.00	220.00	529	90.00	80.00
307	280.00	220.00	629	90.00	80.00
407	290.00	220.00	729	90.00	80.00
507	265.00	230.00			
607	270.00	230.00			
707	270.00	230.00			

<sup>1</sup> Murray.

<sup>2</sup> Combination.

<sup>3</sup> With no repairs.

Where was the discrimination? Just why was a certain Mary Abbot in 623 paying more than the identical apartment above her which in their schedule had been consistently raised as one ventured upward.

	Owner's rental.	Rent Commis- sion's rental.		Owner's rental.	Rent Commis- sion's rental.
<b>Tier 22:</b>			<b>Tier 22—Continued.</b>		
222.....	\$35.00	\$37.50	522.....	\$40.00	\$42.50
322.....	37.50	40.00	622.....	85.00	85.00
422.....	40.00	42.50	722.....	85.00	85.00

<sup>1</sup> Briggs, a Congressman, one of the poor and needy.

They did not scorn adding \$2.50 to rentals.

This is interesting also in that it shows a rental of \$85 for the apartment furnished, in which we concur. But the owners went further and charged the same service charges to the unfurnished apartments.

	Owner's rental.	Rent Commis- sion's rental.		Owner's rental.	Rent Commis- sion's rental.
<b>Tier 8:</b>			<b>Tier 10:</b>		
208.....	\$85	\$85	210.....	\$225	\$200
308.....	170	150	310.....	290	230
408.....	80	80	410.....	290	230
508.....	170	160	510.....	(1)	
608.....	170	160	610.....	300	240
708.....	90	80	710.....	(1)	

<sup>1</sup> Combination.

I have said the reductions were greatest where the increases were greatest.

Mr. MILLSPAUGH. Now, Mrs. Taylor, I would like to ask you one or two questions.

Mrs. TAYLOR. Just one moment. I would like to say something more.

Mr. MILLSPAUGH. Surely.

Mrs. TAYLOR. Now, here are some cases that have been filed in the Rent Commission within the last two or three days. To show you that the condition does still exist that warrants the extension of the act, I will read some of them. Of course, the conditions are not as bad as they were. We do not have nine women sleeping in one room and two or three of them found dead during a "flu" epidemic, and they are not living the way they were this time last year; but conditions are still bad. They are not as bad as they were, but they are still living with as many as five girls in one room. Up to the Chastleton we found three and four in a room, in many rooms.

But here is Martha Washington, 1136 Half Street SE. She had been paying \$7 for a 4-room frame house. That was raised to \$13.50.

William Harris, 1152 Half Street SE., lives in a 4-room frame house for which he was paying \$8 a month. That has been raised to \$13.50.

There are a number of cases of that kind, and I have just a few of them.

Mr. MILLSPAUGH. Mrs. Taylor, you do not think that it is a bad condition of affairs for four people to sleep in one room, do you?

Mrs. TAYLOR. Well, that depends entirely upon the situation and entirely upon the room.

Mr. MILLSPAUGH. Where I was raised there were five of us that slept in one room.

Mrs. TAYLOR. And you were all brothers, too, probably.

Mr. HAMMER. That condition does exist, and there have been places where seven or eight occupied one room.

Mrs. TAYLOR. Yes.

Mr. MILLSPAUGH. Well, that condition existed where I lived. There were five of us occupied one room.

Mr. HAMMER. But that is no reason why we want to go back to it.

Mrs. TAYLOR. But I am talking about nervous women who are trying to do the Government's work. They should not live four in a room.

Mr. MILLSPAUGH. Did you read the recommendations of the commissioners as to the changes that should be made in this present law?

Mrs. TAYLOR. Yes; I did.

Mr. MILLSPAUGH. Do you approve of those?

Mrs. TAYLOR. I think that that is a very embarrassing question to ask me. Those are recommendations of the commissioners.

Mr. MILLSPAUGH. And I want your opinion. You are a commissioner.

Mrs. TAYLOR. No; I do not think that they should. I think that there are some changes that could be made in it.

Mr. MILLSPAUGH. Do you think that this law ought to be passed as it stands with all the inequities and inequalities and injustices that have been brought out at the hearings here?

Mrs. TAYLOR. I am not admitting inequalities or injustices. I think that perhaps there could be a few minor changes made in regard to—

Mr. MILLSPAUGH (interposing). What would you recommend? What changes? You are a commissioner. I am asking for information. I am not opposing you. I am seeking information, and I would like to have you give the committee information. You have heard these cases. I do not want you to get the idea that I am just entirely antagonistic to the question. I am not; but if there is a law enacted, I want it to be constructive, if it has got to be passed.

Mrs. TAYLOR. Well, I thought that you were antagonistic.

Mr. MILLSPAUGH. I do not like the law at all, but if we are going to have a law of that kind, let's make it function. It does not now. That is my opinion. But you have had two or three years' experience and you ought to be able in that time to furnish us with some information. You have been administering the law, and it is a situation with which you are familiar.

Mrs. TAYLOR. I think that the most important thing is that we should have inspectors. We should not have to take up half of our time in making inspections. That would allow us to have more time for deliberations. I think that there should be five commissioners, and every one should have an opportunity to hear cases.

The CHAIRMAN. That is in the law now.

Mrs. TAYLOR. You mean the law; the amended law?

Mr. MILLSPAUGH. That is in the law—the amended law—as it passed the Senate. What else would you add? There are two or three things that have been brought up, which is to safeguard the landlord in collecting his rent, while you are determining the case.

Mrs. TAYLOR. In case of excessive rent, I do not believe that the landlord has to be protected, or in possession cases, if the municipal court acts promptly after the award; but in the possession cases it seems to me that there should be some provision made whereby the landlord would be protected in the payment of his rent until the case is decided.

Mr. MILLSPAUGH. You have read the letter and you are familiar with the recommendations of the commissioners?

Mrs. TAYLOR. I have read them; yes. If you wish, I will make an analysis of it.

Mr. MILLSPAUGH. What?

Mrs. TAYLOR. If you wish—if you ask me—I will make an analysis of it. I will go into it now if you say so.

Mr. MILLSPAUGH. Well, if you do not desire to do so, I will ask Mr. Gooding to do that. But I am only asking you because you have had the experience as a commissioner.

Mrs. TAYLOR. Well, Mr. Millspaugh, if you want to ask me, I will try to answer the question.

Mr. MILLSPAUGH. That is all I want. I do not care to ask the questions now with regard to those recommendations, as it is about time to adjourn. I had just as soon put that off and take it up with Gooding, Mrs. Taylor.

Mr. GOODING. I have only been on the commission about three months.

Mr. MILLSPAUGH. All right. The recommendations made by the commissioners are: No. 1, "The Rent Commission should consist of a representative of the property owners, a representative of the renting class, and one should be neither the owner of property for renting purposes nor a renter."

Mrs. TAYLOR. Well, there is Mr. Gude, who is a property owner for renting, and Judge Sinclair, who does not own property for renting, and myself, a renter.

Mr. MILLSPAUGH. Yes; what is your recommendation on that?

The CHAIRMAN. The new law calls for five commissioners.

Mrs. TAYLOR. Yes; five commissioners.

Mr. MILLSPAUGH. We have only got three commissioners now. I am just calling your attention to the recommendations of the District Commissioners. This is the District Commissioners' recommendation.

Mr. MILLSPAUGH. No. 2 is, "The attorney of the commission should represent the public as a whole and not merely the renting class."

Mrs. TAYLOR. He does represent the public as a whole.

Mr. MILLSPAUGH. How do the District Commissioners get the idea that he does not represent the public as a whole?

Mrs. TAYLOR. I do not know from whom the Commissioners got that idea. I would want to find out.

Mr. MILLSPAUGH. This is a letter that was written to Senator Ball.

Mrs. TAYLOR. I know, but I do not know where they could get that idea.

Mr. MILLSPAUGH. "3. The Rent Commission should have an inspection force sufficient to view the property involved in any case before it, as it seems impracticable that the commission itself should do this work."

Mrs. TAYLOR. We are asking you for that.

Mr. MILLSPAUGH. You approve of that?

Mrs. TAYLOR. We are asking for that.

Mr. MILLSPAUGH. "4. The law should be so amended as to make it practicable and inexpensive for a bona fide purchaser of property for dwelling purposes to get possession of said property without delay. To avoid the possibility of mischance, the law should provide that in such cases the apparent purchaser will in good faith occupy the property and machinery should be provided to verify this fact."

Mrs. TAYLOR. I do not see where there is a lack of machinery in the Rent Commission to verify that fact.

Mr. MILLSPAUGH. All right. I will ask you this: Now, then, if they come before the Rent Commission as purchasers, if people come before the commission and make affidavits that they are going to occupy the house, how do you know that that is not a fact?

Mrs. TAYLOR. What do you mean by an affidavit? People come in and give sworn testimony. We have no evidence on a man's affidavit.

Mr. MILLSPAUGH. You know what an affidavit is?

Mrs. TAYLOR. Yes, indeed, I do; but we do not act on affidavits; we do not accept affidavits. They come in and give us sworn testimony as to whether or not they want to occupy the house themselves.

In possession cases, under the law we do not do anything else. You see that it is a very delicate matter to discover whether a person is acting in good faith or not.

Mr. MILLSPAUGH. Pardon me; that is a point that I want, if you will excuse me. I do not think that the commission has cleared it up in any manner. I have not been able to find out how a person would go about proving that he was a bonafide owner, how a purchaser is going to get possession of his property. I have found case after case where that has been brought to my attention where the commission has stated that the purchase was not in good faith.

Now, my contention is that when I come in and make an affidavit before the commission that I own the property and that I am going to live in it, that the commission ought to turn it over to me, and then if I do not live in that property the commission can prosecute me for perjury.

Mrs. TAYLOR. Now, Mr. Millspaugh, suppose that you had before you a tenant, and an owner, and the testimony given before you showed conclusively with regard to that property that that owner was a straw man set up by some agency for the purpose of getting possession of the property in order that they could sell or rent it.

Mr. MILLSPAUGH. How do you get that testimony?

Mrs. TAYLOR. Oh, we get it. We can get it frequently by the attitude of the persons. They could give us that information in many ways, and many times they do. Those possession cases are not coming before us as much as they used to, because they have not been successful, and we have found that the agents are not doing it any more. They have found that they can not get possession, and they are not doing it any more.

Mr. MILLSPAUGH. You do not approve of the recommendations of the Commissioners of the District?

Mrs. TAYLOR. I approve of some of the recommendations. I think that the owner should have certain safeguards.

Mr. MILLSPAUGH. The next is "5. There should be a provision to enable the owner of property to get rid of objectionable tenants, or of those who use the property in an objectionable way."

Mrs. TAYLOR. There is the same method for ejecting them as has always obtained, in the municipal court.

Mr. MILLSPAUGH. "6. There should be a provision to prevent a tenant who had signed a lease from appealing to the commission to break the terms of the lease relating to the amount of the agreed rent."

Mrs. TAYLOR. I have answered that. The people would be out on the street. They would be in the parks, because they can not get possession until they sign a lease. They have to sign a lease to get in. We have proof of that.

Mr. MILLSPAUGH. I think that it is all wrong.

Mrs. TAYLOR. They have to sign a lease to get possession. The people would be on the street. They would be unable to get a place in which to live.

Mr. MILLSPAUGH. "7. Section 109 of the law prohibits the tearing down or razing of any rental property used for residential purposes, unless new rental property for residential purposes, if constructed. The commissioners believe that this provision is detrimental to the proper development of the District and that it should be stricken from the act."

Mrs. TAYLOR. Of course, the zoning law takes care of that. That covers only business property. For instance, in tearing down property in certain districts, that is, in a business district, there could be a provision whereby only business property would be erected. We have nothing to do with that. That is covered by the zoning law.

The CHAIRMAN. How would that apply where a man owned adjoining property, say a more or less dilapidated house, rented to some one; would the zoning law permit him to dispossess the tenant, tear the house down, and thus improve this property by enlarging his lawn?

Mrs. TAYLOR. I will tell you that that is one thing in the law that has always worried me a lot. It seems to me that if a man wants to improve his property that he should be given an opportunity to improve it. I think that there could be a provision in the law which would make that possible. I think that it could be modified if it could be modified without danger. One danger there would be if you give them permission to improve their house they get the tenant out and make some small repair and claim that it was a modification. You are subject to those dangers. They might call anything a modification. I think that that would be a good provision if it could be drawn up so as to protect the tenants.

Mr. MILLSPAUGH. Take the case of the Riggs Bank. They wanted to rebuild, but there were some tenants in that building and they could not get possession. Under this law they had to pay an enormous bonus in order to get possession.

Mrs. TAYLOR. I do not know what they did. That came before us, but was postponed.

Mr. MILLSPAUGH. That is a building located at Fourteenth and Park Road.

Mr. TAYLOR. That came before us, but the case was postponed and was never decided. It was not decided by the Rent Commission. The Rent Commission did not make them pay a bonus.

Mr. SPROUL. Did those tenants have a lease? If the tenants had a lease, they would not have been willing to have gotten out without being paid.

Mrs. TAYLOR. I do not know. We did not hear the case. The case was postponed.

Mr. SPROUL. You do not know, then, whether they had a lease or not.

Mrs. TAYLOR. No; we do not know. I do not know whether they had a lease or not. We did not hear the case.

Mr. MILLSPAUGH. They did not have a lease.

Mr. SPROUL. If they had had a lease, you could not get them out without paying a bonus. People with leases usually want a bonus.

Mr. MILLSPAUGH. They had no lease.

Mrs. TAYLOR. I would like to have it very clearly understood with regard to that case. That case was postponed. It never was decided by the commission. We never decided it.

Mr. HAMMER. In the case of the Riggs Bank, is not section 101 modified, so as to get rid of a situation similar to that, so that there will not be that trouble in the future.

Mr. MILLSPAUGH. No, sir.

Mrs. TAYLOR. I do not know. I am not sure. I do not believe that it does.

Mr. MILLSPAUGH. That is the same as it is in the old law, Mr. Hammer.

I move that we adjourn until 10 o'clock to-morrow morning, at which time we will hear Mr. Gooding.

Mr. HAMMER. Could we not have some understanding as to when we will complete the hearings?

Mr. REED. The Chair feels that we should at least set a date when we will finish and then restrict the testimony and the arguments to the questions germane to the subject as much as possible.

Mr. HAMMER. Could we not have an understanding that we would complete it this week?

Mr. REED. Mr. Millspaugh, you would not object?

Mr. MILLSPAUGH. I would not like to be put in the position of agreeing to that. I will say that I am willing to try to get through. I will do the best that I can, but I do not know what will develop.

Mr. HAMMER. I know, but you have occupied at least—I do not know how much time, trying to show that Senator Walsh's committee had been engaged in something that was not proper conduct, and something that the committee ought to be impressed as true, and Senator Walsh is an outstanding figure in the Senate and in the country, and a man that any man in the country who knows him will take off his hat to, and yet a great deal of time has been expended on that and arguing, and you have been trying day after day to impeach the integrity of the Senators and the commission when it has been fully explained and finally settled that no blame or censure can be charged up against their conduct.

Mr. MILLSPAUGH. I do not take off my hat to any man, but to every lady.

Mr. HAMMER. I do, sir. I do take off my hat to a man with superior intellect and high personal character and integrity, anywhere.

Mr. MILLSPAUGH. I do not take off my hat to any man.

Mr. HAMMER. I take off my hat to any man of the ability of Senator Walsh, and any man of character, reputation, and standing in the community, such as he has, as well as to our American queens.

Mr. MILLSPAUGH. I do not. That may be used later in the campaign of Senator Walsh, but it would not do in Missouri.

Mr. HAMMER. The fall elections may show a very different result from what my friend expects.

Mr. MILLSPAUGH. Yes; they may.

Mr. HAMMER. I think that we ought to be able to get through this week.

Mr. MILLSPAUGH. I will try, Mr. Hammer.

Mr. HAMMER. Could we not have an understanding?

Mr. MILLSPAUGH. Mr. Hammer, has not my position been fair this morning?

Mr. HAMMER. Absolutely, except to this extent, that you have attempted to attach a great deal of importance to irrelevant matters which I think have been satisfactorily explained, which is a very considerable qualification to my answer.

Mr. MILLSPAUGH. Yes, sir.

Mr. REED. Then, do I understand that you object to the motion?

Mr. MILLSPAUGH. I move to amend it.

Mr. HAMMER. I move that we complete the hearing. I ask an amendment to the motion that we complete the hearings this week.

Mr. MILLSPAUGH. I shall not agree to that.

Mr. HAMMER. Well, then, it will be impossible—

Mr. MILLSPAUGH (interposing). I do not want to agree to that. I do not know when I can get through.

Mr. HAMMER. Then, the general impression which prevails in the community that the purpose of this extended hearing is to make it impossible to pass the bill, and it will be impossible to pass the bill unless we do finish this week.

Mr. SPROUL. Mr. Chairman, I do not think that it is fair to the committee for Mr. Hammer to make any such a statement. The Senate committee has had that bill for months, and they have held hearings upon it, and then it comes over to this committee and we are asked to pass it in a day. I am in favor of the tenants as well as the landlords having an equal opportunity.

Mr. MILLSPAUGH. Will the gentleman yield?

Mr. SPROUL. Not yet; but I want them to have a chance. Let everybody be heard on this bill, and then base it upon the facts, if it is going to be passed. I want to know what we are doing before I vote on it.

Mr. MILLSPAUGH. Will the gentleman yield?

Mr. SPROUL. Not now. It was brought into this committee last summer, and we were asked to pass the law in one day.

Mr. MILLSPAUGH. That is the point that I wanted to bring out.

Mr. SPROUL. We did. We came here and worked at night. There was one heard in favor or against the bill, and that was Mrs. Taylor. She made a statement. Anyway, we worked in this room until 12 o'clock at night. The House was in session, and we could not act on the bill. We could not report out a bill, legally, and we were held here until 12 o'clock at night in order that we might report out a bill.

Mr. MILLSPAUGH. We stayed.

Mr. SPROUL. And we stayed. Now, I do not want that to happen again; and I want to say again that I want to be just as fair to the landlord as to the tenant. I am neither for the landlord nor the tenant, but I want justice done; I want to see that they both get justice. If it takes two weeks to complete the hearings on this bill, I think that we ought to complete them. I am willing to come here at nights or in the afternoon or at any time that we can hold meeting legally; I am willing to come at any time myself.

Mr. HAMMER. Well, we were here, and we stayed here so we could not have been charged with lack of good faith; and we stayed here so that we would be enabled to report the bill out. We stayed in order to make a quorum and be able to report out a bill when the House was not in session.

Mr. SPROUL. If we had not stayed the bill would have been killed.

Mr. HAMMER. And you could not have afforded to have done that.

Mr. REED. Is all of this discussion to go into the record?

Mr. SPROUL. I do not care.

Mr. HAMMER. We have five days, including to-day, and five nights; and this matter is of such importance to the community that we ought to have hearings each of the five mornings and each of the five nights if necessary.

(At this point a member of the audience requested permission to speak.)

Mr. REED. Just a moment. We will have to proceed in order.

Mr. HAMMER. Mr. Chairman, every tenant in this District wanting to be heard should be heard, so far as we can, and I want to give all an opportunity.

Mr. REED. I feel the same way about it.

Mr. MILLSPAUGH. I have no objection.

(At this point another member of the audience proceeded to address the committee.)

Mr. SPROUL. Mr. Chairman, I object to the gentleman speaking. I object to any speeches at the present time.

Mr. LAMPERT. I think that the point that Mr. Hammer has made is well taken. We want to get along as well as we can, but I think that everybody ought to be given an opportunity to be heard in this matter. Therefore, I move that we adjourn to meet to-night at 8 o'clock.

Mr. MILLSPAUGH. I object. I would oppose that. I can not possibly come, because I have a dinner engagement that I made when I did not know that this matter was likely to come up.

Mr. HAMMER. I do not think that the gentleman can allow a dinner engagement to interfere with this.

Mr. SPROUL. I have a dinner engagement at the same place, but I am willing to forego it and be here.

I think that if the chairman will make a request for unanimous consent to continue the sessions while the House is in session, that he could get permission to do so, and that we could continue the hearings legally. I do not think that there would be any objection, and if our chairman will make that request, I think that we can meet back here at 2 o'clock this afternoon.

Mr. LAMPERT. I think that that is a good suggestion.

Mr. HAMMER. I want to say, however, that we can not have one witness here, but I want to say to all of these people that want to make statements that I recommend to them, or suggest to them, that they prepare affidavits to file with the committee. It is going to be impossible to get through if we hear everyone unless we limit the time of the hearings, so I would suggest to these people that they prepare sworn affidavits, swear to their statements and hand them in, and they can be read, or the parts that are necessary, and all can be put in the record if it is found to be necessary to properly present the case. That is the only way that we are going to get through unless we limit the time, because the tenants no doubt will want to express themselves, and they will be asking for time. I think there is no doubt but that this

committee is going to report favorably upon the bill unless something very different is shown from what we have heard so far.

Mr. REED. Does the chair understand that there is no objection to anybody filing a paper with the committee?

Mr. MILLSAUGH. I think that there is none whatever.

Mr. LAMPERT. They should be filed in respectable language, though, always.

The CHAIRMAN. Yes; always.

Mr. SPROUL. You expect to hear all of the tenants that may come in?

Mr. REED. Yes; if we have time, we will hear all of the tenants that want to testify.

Mr. HAMMER. I think that we could agree on five days.

Mr. MILLSAUGH. I think that we can complete it in that time, but I do not want to put my head in a noose.

Mr. REED. Can you meet this afternoon?

Mr. SPROUL. Mr. Chairman, let us say to the people here that we will have a hearing this afternoon if we can get the permission of the House.

Mr. HAMMER. We have a hearing of the subcommittee on education at 2 o'clock this afternoon. That is very important. I would like to be here, but we have a hearing before that committee.

Mr. MILLSAUGH. I am a member of that committee, too.

Mr. HAMMER. Yes; we are both on that.

Mr. MILLSAUGH. Mr. Chairman, my motion is that we meet to-morrow morning at 10 o'clock, at which time we hear Mr. Gooding.

Mr. SPROUL. Mr. Chairman, I move that we lay that motion on the table, and I make a substitute motion that the chairman ask for unanimous consent to meet this afternoon, and each afternoon until we get through with these hearings, and if we get consent, meet at 2 o'clock this afternoon.

Mr. LAMPERT. I second that motion. Mr. Chairman.

Mr. MILLSAUGH. I can not be here this afternoon.

Mr. HAMMER. The District Committee has a subcommittee on education that meets this afternoon. That is an important meeting.

Mr. SPROUL. I know, but it is not as important as this. This law expires on the 22d day of May. This law will expire on the 22d of this month. We could pass that bill next year.

Mr. REED. Let me say—

Mr. HAMMER (interposing). We have other witnesses that we can go on with this afternoon.

Mr. MILLSAUGH. I will say that you can meet this afternoon, and hear the tenants. I have no objection to you going ahead, and we can hear Mr. Gooding to-morrow morning. I would not object to that. But I can not put my witnesses on this afternoon.

Mr. HAMMER. That is all right.

Mr. SPROUL. That is all right.

Mr. LAMPERT. Yes; that is all right.

The CHAIRMAN. Then, do you make that motion?

Mr. SPROUL. I have made a motion that the chairman ask for the permission of the House, ask unanimous consent, to continue the hearings until we get through.

Mr. HAMMER. We can meet this afternoon at 2 o'clock.

Mr. REED. We could meet at 2 o'clock. Is there any objection?

Mr. SPROUL. It may be possible that we will not be able to get unanimous consent.

Mr. REED. We will take a recess until 2 o'clock. We will meet at 2 o'clock, if we can get the consent of the House.

(Whereupon, at 12.20 p. m., the committee took a recess until 2 o'clock p. m. of the same day.)

AFTER RECESS.

The committee met at 2 o'clock p. m., pursuant to the recess, Hon. Stuart F. Reed presiding.

Mr. REED. The committee will proceed to the further consideration of the Ball Rent Act, the House having authorized the committee to sit during the sessions of Congress. It was the understanding, I believe, that we would hear some of those who held up their hands indicating a desire to appear and present their problems.



**TESTIMONY OF MR. GUSTAVE HAAS, 1237 POTOMAC AVENUE SE**

(The witness was duly sworn by Mr. Reed.)

Mr. HAAS. Brothers and sisters, I am glad to have the opportunity to say something here in regard to this Ball Act. I have been reading quite a little about this Ball Act, which I consider a great protection and relief to the wage earners of this District.

Mr. SPROUL. How long have you lived in the District of Columbia?

Mr. HAAS. One year straight now, in this month of May. I was here five years ago.

Mr. SPROUL. Where did you come from?

Mr. HAAS. From Philadelphia. My daughters live in Philadelphia now, and I maintain a home there. I have four children here with me. I came here with the promise of a position when I was furloughed from the Frankford Arsenal, where I worked for five years. I was furloughed through lack of work and through lack of appropriation by Congress, but even with my rating of 91 I was not able to get a position at the navy yard.

Mr. REED. Please confine yourself as nearly as possible to the rent problem.

Mr. HAAS. What I am getting at is this, that the Government itself is here with its employees or wage earners. I am speaking from my own experience as a wage earner, receiving from \$3.26 to \$4 per day, or from \$85 to \$100 per month. If a wage earner has to pay the rent that would be demanded for these houses here, if he has a big family to support, I can not see how it can be done. If you abolish this Ball Act, which is the only protection of the wage earners of this District, what will become of us? We are raising families, and when the country gets into trouble, that is where Uncle Sam looks for help, but now when we are looking for protection, there is none for us.

Mr. SPROUL. Are you a renter of a house or apartment?

Mr. HAAS. I rent a house. I am renting to-day a 5-room house, but I have made no complaint to the rent commissioners, or anything of that sort. I am talking about the conditions under which we must live. We have no gas or water in the house, and I think we should have it. We have to go out the back way, and have to take our garbage through the house. We have to carry the ashes through the house, and carry wood and coal through the house. We have to do that during the winter. Everything we want must be carried back and forth in that way. I had to carry water in there that way last winter. We have three stoves in the house, and I had to get what coal I could to keep the place warm. I am now paying \$15 per month rent, and they tell me that the place used to rent for \$8 per month. I am wondering what possible chance the wage earner will have if he does not have this protection in the future.

I am in a home here in the District raising children; I am raising respectable children, or children who are respectable for the Government. I want them to be as respectable as it is possible to make them, but I say, and thousands of others here say, that they can not get a home in which they can live decently unless you have your mother-in-law, your grandfather, your son-in-law, or somebody else to help you out in buying the home for \$7,000, or in renting a house for \$65 per month, or, possibly, for \$50 per month. You must have your wife to slave if you want to have a nice home with hot and cold water and gas in it. If you have a nice home, everybody must make a slave out of himself or herself. You can see more old people going to work now trying to get a home than ever before. There are no homes in which a man who is trying to raise a family can live at a reasonable cost. You can not get such a home, with four or five rooms and with gas and water.

Mr. MILLSPAUGH. What can the Rent Commission do to relieve that condition?

Mr. HAAS. The Rent Commission would look into every case, and, if I am not mistaken, they can call witnesses and hear them.

Mr. HAMMER. I do not think that the Rent Commission has anything to do with anything except the fixing of rents.

Mr. HAAS. Yes, sir; fixing the rents, and that is the trouble, where they charge large rents if they put a gas pipe in. If they put a gas pipe in, they want to add \$10 more to the rent.

Mr. HAMMER. The rent commissioners do have something to do with that.

Mr. HAAS. It does not cost anything to do that. If they put water in the house, they want \$10 more for that. Wherever human beings are raising

families, or even where they are not raising families, they should have sanitary conditions in their houses. They should have water, etc., in their houses.

Mr. SPROUL. Do you know that most landlords are working men, just the same as you are, or that a great majority of them in the District of Columbia are?

Mr. HAAS. Yes, sir.

Mr. SPROUL. Do they not have a right to live and a right to get some return from the money they have invested?

Mr. HAAS. Most assuredly.

Mr. SPROUL. How much has your salary been raised during the last five years, or how much more are you getting now than you were getting five years ago?

Mr. HAAS. I am getting 48½ cents per hour.

Mr. SPROUL. What were you getting six or eight years ago?

Mr. HAAS. I can not think, but I know that when I was married in 1898 I was getting \$16 per week, and pork chops were 5 cents per pound.

Mr. MILLSPAUGH. Why should not the commission regulate the price of pork chops, then? Do we not have to buy them?

Mr. HAAS. Yes, sir.

Mr. MILLSPAUGH. Do we not have to buy clothing and shoes for our children also?

Mr. HAAS. Yes, sir.

Mr. MILLSPAUGH. Then, why not regulate them?

Mr. HAAS. I think you do have some regulations of that through the Commerce Commission, do you not?

Mr. MILLSPAUGH. No.

Mr. HAAS. I think it might be all right to protect those things. However, that has no bearing upon the protection of the home. Do you not think I should have a home to live in?

Mr. SPROUL. One reason is that that does not amount to a public use.

Mr. HAAS. Well, my dear brothers and sisters, you have got to have these skilled workers. You have got to have these skilled mechanics or your industries can not function. How will you function if you do not have skilled labor and skilled mechanics here? Do you mean to tell me that you will pay them \$7 or \$10 per day?

Mr. SPROUL. Do you not know that every man working at any business to-day, every mechanic and every laboring man, is getting 100 per cent more wages than he got in 1914 and 1915?

Mr. HAAS. In what way? I am not getting 100 per cent more. You say you want to get back to normalcy.

Mr. SPROUL. I am talking about conditions in the building trades. That is what we have to consider when we try to determine what is a fair rental for the landlord to get for his property.

Mr. HAAS. It should be according to the taxes that he pays on his property.

Mr. SPROUL. He is paying 132 per cent more, or in 1920 he was paying 132 per cent more for everything that went into the construction of a building than he was paying in 1912.

Mr. KELLER. The gentleman makes a good point when he says that the basis of return should be the taxes paid on the property, or the tax valuation of the property.

Mr. HAAS. I think if a man collects \$100 per month rent for a house, he ought to pay taxes on that basis. If the taxes were paid on that basis, you would not have so many profiteers.

Mr. SPROUL. Do you know whether your landlord is paying the proper tax on the property you rent?

Mr. HAAS. I did not go into that.

Mr. MILLSPAUGH. Do you know anything about the tax rate?

Mr. HAAS. My sister told me that the taxes did not amount to much.

Mr. MILLSPAUGH. Is she a landlady?

Mr. HAAS. No, sir; she owns her own home here.

Mr. MILLSPAUGH. Will this affect her?

Mr. HAAS. No, sir; she has bought and paid for her home. She has paid everything, and owns her home. She and her husband had Government jobs, and bought their home.

Mr. MILLSPAUGH. They are in pretty good shape.

Mr. HAAS. I am glad to say that they are in better shape than I am. They are in better shape than I am, and they have one child, whereas I have four.

## 110 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

You will have to have some protection for the wage earner here who has to live in a house. He can not go into an apartment, because they do not want children in apartment houses. The other day there was an advertisement running down here of a five-room apartment house at \$20 per month; but they wanted only three in the family. People with only three in the family should apply. Now, what about the other four? Would you bury them? Then when trouble comes, you must have a big army and plenty of nurses. Now, I think you should take this matter into serious consideration. The wage earners should be considered in this matter, and they should be given protection.

Mr. REED. Are there any other questions?

Mr. HAMMER. I would like to have the record straight on one subject: Something was said about wage earners getting over 100 per cent more than they received before the war. The only thing that is 62 per cent higher is rent on property. Rents show the greatest increase this year over pre-war prices of anything in this country, according to the Department of Commerce.

Mr. SPROUL. Before the war bricklayers were getting \$5 per day, and now they are getting \$10 per day. Carpenters were getting \$4.50 per day in 1912, 1913, 1914, and 1915, and that rate prevailed throughout the country, in Washington as well as other places, and to-day they are getting \$9.80 per day in Washington and \$10 per day in practically every other city in the country. Building labor was working on buildings at 30 cents per hour, and last year we paid common building labor \$1 per hour, or \$8 per day.

Mr. HAAS. Give me \$8 per day and I will take the job right now.

Mr. SPROUL. The E. W. Sproul Co. is paying that at Kansas City and at Chicago. Contractors are paying that rate here in Washington. Any contractor that carries on that sort of work is paying those wages right now.

Mr. HAAS. They may pay carpenters \$8.50 per day, but you take the wage earners, and they are being paid three or four dollars per day, and not a cent more. You have over 2,000 of them right here now getting from \$85 to \$100 per month. If you doubt my veracity, go look them up. They are not supposed to be considered, but you are supposed to only consider the carpenters and plumbers. We are not in it, I suppose.

Mr. SPROUL. We are considering the building conditions here. We are talking about the cost of building houses and about rents. That is all this bill is for. We are not trying to regulate your wages at the navy yard.

Mr. HAAS. No, sir; but I am trying to tell you what wages they are getting. I will tell you that they do not get those sort of wages, and you will not get back to normalcy paying these high rents.

Mr. SPROUL. There is only one way of bringing rents down, and that is to bring wages down.

Mr. HAAS. Wages are down.

Mr. SPROUL. I beg your pardon; wages are not down. We are still paying the same wages that we paid in 1920.

Mr. HAAS. Do you consider when I am striving for 80 cents per hour that that is too much?

Mr. SPROUL. I think the Government pays its employees too little, and always has; but the Government is not building apartments or houses.

Mr. REED. We have several people present who want to be heard. You have made a frank and honest statement in regard to the problem here in Washington, and we thank you for your attendance.

Mr. HAAS. I hope you will give this serious consideration.

Mr. HAMMER. I think it is but fair to make this statement: While the gentleman is a little excitable, he has made an intelligent statement, and I think these other tenants who are to appear before the committee should be assured that the committee, in question them, does not mean to grill them. I want them to understand that.

Mr. SPROUL. I object to the gentleman's statement, because he turned around to me when he made it. I do not propose to grill anybody. I want to see justice done all around.

### TESTIMONY OF MRS. L. H. BOGGS, WASHINGTON, D. C.

(The witness was duly sworn by Mr. Reed.)

Mrs. Boggs. Mr. Chairman, during and since the war, when there has been so much oppression among the people, and when it has been so hard for them to pay their rents, unsolicited 2,000 names were signed to two petitions which were sent in to me. One of them I presented to the District committee here and

the other to the Senate committee. Those petitions asked that the Ball Act be kept in effect. I was asked by a prominent Senator to investigate one or two cases that he was especially interested in. In one of the homes I found the children in a condition where they were absolutely needing food. They had not been properly nourished for some time. The people were very poor, and the husband had been out of work for some time. I also found the mother in a very distressing condition. I asked her why she was in such a nervous and sick condition, and she said it was because she had had no breakfast. She said that when her husband went to work in the morning and when the children went to school, there was really no food left for her. I immediately got busy and helped them to get straightened out. I found that condition here among the people, and, indeed, among some of the better classes of people. I have had some dear old ladies come to me and tell me that they had not had anything to eat for three days.

Mr. MILLSPAUGH. Has the condition ever been different from that?

Mrs. Boggs. What do you mean?

Mr. MILLSPAUGH. That condition you refer to. Have there not always been people in needy circumstances?

Mrs. Boggs. There have always been poor people, and always will be, but there was never so much oppression in Washington before?

Mr. MILLSPAUGH. Oppression?

Mrs. Boggs. Yes, sir.

Mr. MILLSPAUGH. What do you mean by that?

Mrs. Boggs. I mean that they have never been so oppressed financially, and rents have never been so high.

Mr. MILLSPAUGH. Has the price of beefsteak ever been so high, or has the price of clothing ever been so high?

Mrs. Boggs. All of that may be true, but several wrongs do not make a right.

Mr. MILLSPAUGH. That does not develop the wrong.

Mrs. Boggs. Possibly not; but you are new here, and after you have been here for awhile, you will find out what the conditions are. In other words, you will really find that you are being victimized by birds of prey, just as we have been.

Mr. MILLSPAUGH. Do you not think that is true of every city?

Mrs. Boggs. I do not think it is quite as bad as it is in Washington.

Mr. MILLSPAUGH. Why should it be so particularly bad here?

Mrs. Boggs. It seems to be because they have had free rein. I do not mean to accuse anybody, and I am not here to knock the real estate men of Washington as a whole, because I think some of them are splendid men. I think some of them are conscientious, but I think that most of them have gone absolutely insane on the subject of money.

Mr. MILLSPAUGH. I am not asking these questions with any ulterior motive, but what interests do you represent?

Mrs. Boggs. I do not represent any organization.

Mr. MILLSPAUGH. Have you done any public work?

Mrs. Boggs. I have been working in Washington for quite a while. Some of my ancestors were the founders of this city, and I have always been interested in it. I have always been interested in the welfare of men and women, no matter in what station of life they happen to be.

Mr. MILLSPAUGH. What public work have you been engaged in along that line that would make you competent to pass upon this question?

Mrs. Boggs. I have had numbers of people to ask me to get them work.

Mr. MILLSPAUGH. But what has been your public work? You have been engaged in some sort of public work, have you not?

Mrs. Boggs. Right here?

Mr. MILLSPAUGH. I mean where those things would come under your observation.

Mrs. Boggs. I was the president of the board of charities in the place where I came from, and also of an aid society.

Mr. MILLSPAUGH. How long have you lived in an apartment house here?

Mrs. Boggs. I have been in an apartment house here for 10 years.

Mr. HAMMER. I made some investigations or inquiry in regard to this witness before she came up here to testify. I understand that the lady formerly lived in Virginia?

Mrs. Boggs. My home is in Virginia.

Mr. HAMMER. You turned your property in Virginia over to the Government during the war free of rent, did you not?

Mrs. BOGGS. When war was declared I offered everything I had to the Government to use as they saw fit.

Mr. MILLSPAUGH. Did the Government use it?

Mrs. BOGGS. Not for war work. They have not used it up to the present time, but they are getting ready to use it now for sick soldiers.

Mr. MILLSPAUGH. Were you the chairman of a women's committee here six or eight years ago?

Mrs. BOGGS. I was chairman of the Wilson Union of Volunteers, a charge of which I am proud. I was chairman of the Wilson Volunteer Union.

Mr. MILLSPAUGH. As the chairman of the Wilson Union, you would be against—

Mrs. BOGGS (interposing). I was the chairman of the Wilson Union of Volunteers, and the founder of it. I am proud of the fact.

Mr. HAMMER. Mr. Chairman, I want to protest against urging against Mrs. Boggs the fact that she was the chairman of the Wilson Union of Volunteers. I protest that that should be nothing against her, as the gentleman insinuates, and this is neither the place nor the time to inject this matter.

Mrs. BOGGS. I was the chairman of the Wilson Union of Volunteers, for which I am proud. I wish to say this that even before I had the vote, I always stood by the best man, no matter what his politics were. I had a dear uncle who was the leading Republican of his county, and I never accused him of anything because of his politics. I have always believed that people should be unmolested in their religion and their politics. In that respect, I grant to others the privilege that I claim for myself. This is not a political matter with me in any way, shape, or form. It is a matter of conscience and duty with me, and I endeavor to do my duty at all times, and would do so even at the mouth of a cannon.

Mr. MILLSPAUGH. Did you not tell me yesterday that you thought it was about time for the people of Washington to rise up and demand their rights?

Mrs. BOGGS. I said that if the Ball Act did not go into effect, I thought the people should. I said that I considered that the Ball Act was created by the best brains of this country. I think that Senator Ball is one of the brainiest gentlemen in the Senate.

Mr. MILLSPAUGH. Did you not tell me yesterday that where you came from they were in the habit of telling people whom they did not like, that they could remain for so many days?

Mrs. BOGGS. No, sir; I said that they did not like people who were crooked and who were not leading right lives and were not doing the right thing—

Mr. MILLSPAUGH (interposing). Did you not say that you believed in that sort of thing?

Mrs. BOGGS. I said that when people are not living right, and will not live right, they should be talked to. I believe in talking to them, and then if they will not do right they should give them so many hours to leave the community. I think that you have people in this town, and good people in this town, who, who are being oppressed—

Mr. MILLSPAUGH (interposing). Whom are you expecting to run out of the city—the landlords or me? That is what I am trying to get at.

Mrs. BOGGS. What do you mean?

Mr. MILLSPAUGH. You say you would give them so many hours to leave town.

Mrs. BOGGS. I say that if the Ball Act is not put into effect, and if this Rent Commission, which has been a God's blessing to this town, is abolished, you will have a serious condition here. I do think that when this commission, which is composed of representative people who have been working night and day, are held up and questioned in that manner it is wrong.

I think when they are asked what they have done and asked how they have conducted themselves in that manner it is a disgrace on this town. I think it was a sad reflection on this town to have those things said of this commission and to have it go out through the papers of Washington. These are representative men and women who have the good of the town at heart. Here is a representative woman who has given her time to this work, and here are representative men who have given their time and labors to it. In order to perform this duty this commission has devoted its time, day and night, to listening to these complaints and going into the most minute details. They have to try to be just and to give justice to each party. Then they have to be subjected to some

of the lawyers that they have to face there, and when I have thought of all that I have wondered how they stood it at all. Yet, in the most beautiful way, they have gone on with the work and have conducted it fairly and squarely. If you should comb this town over you could not find a more conscientious and straightforward commission than we have. Why should we elect or appoint people to fill these positions and then question them in that manner afterwards? I think it is insulting.

Mr. MILLSPAUGH. There is no definite assurance that this commission would remain in power even if the Ball Act were reenacted, is there?

Mrs. BOGGS. That is not for me to say, but you can not get a better one, and there is no advantage in changing experienced people for inexperienced ones. If you employ a butler or maid, you keep them because of their experience.

Mr. HAMMER. It would be antagonistic to the purpose of the law to get rid of this commission and get an inexperienced commission, would it not?

Mrs. BOGGS. Yes, sir. You could not buy this commission. They could not be bought for any amount of money.

Mr. MILLSPAUGH. You started out along this line, by saying that you believed that if the Ball Rent Act were not passed, the people of Washington should rise and demand that the landlords leave town.

Mrs. BOGGS. Not that the landlords should leave town; no, sir.

Mr. MILLSPAUGH. Whom do you want to leave town? Did you not tell me that yesterday?

Mrs. BOGGS. No, sir; you are laboring under a delusion.

Mr. MILLSPAUGH. Probably so. It would not be the first time.

Mrs. BOGGS. When you have lived in Washington longer, you will find what the conditions really are here. You will find also that you are being victimized by birds of prey, if you do not lookout.

Mr. SPROUL. Are you finding fault with the committee?

Mrs. BOGGS. No, sir; I have not found fault with you gentlemen.

Mr. SPROUL. I understood it that way.

Mrs. BOGGS. No, sir. My sympathies are with the Senators and Congressmen. When I said that this commission had been accused, or, as you might say, knocked for supporting and standing by the Senators and Congressmen, and by the Army and naval officers, in their decisions, I meant that they had been accused unjustly. Someone said, for instance, that Senator Walsh had been given a preference. If you had to put up with some apartments in this town and go through with what we go through with at the Rockingham, for instance, you would wish that you never heard of Washington. I tell you, gentlemen, that if you investigate the conditions here, you will find some that are absolutely rotten. I will use that word—they are absolutely rotten.

Mr. MILLSPAUGH. Why do you love the town so if those conditions exist?

Mrs. BOGGS. It has been my town. I have visited here and have lived here off and on all my life. We have property here.

Mr. MILLSPAUGH. I have lived here a year and love every foot of it.

Mrs. BOGGS. You will love it more before you get away.

Mr. KELLER. You are still for the Ball Rent Act?

Mrs. BOGGS. Yes, sir. If I owned half of Washington, I would ask you to renew the Ball Act and keep the present commission in force.

Mr. MILLSPAUGH. You are more interested in the present commission than you are in the Ball Rent Act?

Mrs. BOGGS. No, sir; I am interested in both. I want justice done, and I stand for that at any cost. I will tell you that there are children and old people in this town who are suffering.

Mr. MILLSPAUGH. Any commission that is appointed, as a rule, would be subject to review by somebody, or they must report to somebody.

Mrs. BOGGS. Yes, sir; but be sure you are right before you accuse.

Mr. MILLSPAUGH. Do you think that public servants should not be criticized?

Mrs. BOGGS. Absolutely not.

Mr. MILLSPAUGH. We criticize the President, do we not?

Mrs. BOGGS. Yes, sir.

Mr. MILLSPAUGH. They do not hesitate to criticize Senators.

Mrs. BOGGS. That is all right.

Mr. MILLSPAUGH. The Congressman's life is a life of criticism here and at home.

Mrs. BOGGS. You can go to friends and talk to them gently, without undue censure.

Mr. MILLSPAUGH. There has not been anything said about this commission that has not been said against every Congressman in this room. If we are criticized, surely the Rent Commission is not immune from criticism. Their character is not above that of Senators and Members of the House. They have not been put upon a pedestal where they should not be criticized.

Mrs. BOGGS. Not at all.

Mr. MILLSPAUGH. Then why resent this criticism?

Mrs. BOGGS. Because I think they have been too severely criticized and unjustly criticized.

Mr. MILLSPAUGH. That is a question of opinion.

Mrs. BOGGS. I know what this Rent Commission has done. I know how hard they have been working, day and night, and I know what they have been up against. Now, I am not paid for any of the work I do for men and women; I am not paid for what I do for children, but what I do for them is done of my own free will and accord, because they are in distress. I tell you that I know that conditions here are awful, and if the Rent Commission goes out of existence there will be serious trouble in this town.

Mr. SPROUL. I understood you to say that you had been renting an apartment in the District for 10 years.

Mrs. BOGGS. Yes, sir.

Mr. SPROUL. How much more rent are you paying now than you paid before the war?

Mrs. BOGGS. They raised the rent \$30 at one clip, and we refused to pay it. We refused to pay it at first. I said that I did not believe we could afford it, and that if we were to consent to that raise we would be making it harder for those who could not afford it.

Mr. MILLSPAUGH. How much more are you paying now than you paid before the war?

Mrs. BOGGS. We are paying right now \$62.50.

Mr. MILLSPAUGH. How much did you pay before the war?

Mrs. BOGGS. \$50.

Mr. MILLSPAUGH. You are paying \$62.50 now?

Mrs. BOGGS. Yes, sir.

Mr. SPROUL. You do not think that is too much, do you? You do not think that is out of the way, do you, if you were paying \$50 before the war and \$62.50 now?

Mrs. BOGGS. If you only knew what we were getting—

Mr. MILLSPAUGH. Are you getting the same now that you were getting before the war?

Mrs. BOGGS. No, sir; we had gone without things before the war, and we have remained without them.

Mr. HAMMER. I ask you if the Rent Commission reduced the rent?

Mrs. BOGGS. They did.

Mr. HAMMER. From what?

Mrs. BOGGS. From \$80 to \$62.50.

Mr. HAMMER. And so the reason you are paying \$62.50 is on account of the Rent Commission's activity?

Mrs. BOGGS. Absolutely, and we would have been paying \$200 if it had not been for the Rent Commission.

Mr. HAMMER. Something was asked you about this commission not reporting.

Mrs. BOGGS. I didn't get that.

Mr. HAMMER. Did not Mr. Millsaugh ask you about this commission not making a report?

Mr. MILLSPAUGH. Yes; I did.

Mr. HAMMER. Did you ever hear of a court reporting to anybody?

Mr. MILLSPAUGH. Is this a court?

Mr. HAMMER. It is supposed to be a court. Courts are not called upon to tell what they have been doing to anybody; that would be restraint and a limitation.

Mrs. BOGGS. Mr. Millsaugh apparently—

Mr. MILLSPAUGH (interposing). I will ask the gentleman—just a moment, Mr. Hammer—does the Interstate Commerce Commission make a report?

Mr. HAMMER. Yes; but it makes an annual report. But no court on earth is ever required to report anything but its fees; it is not called upon to tell why it did so-and-so, and stand up and be grilled for hours about what it has done.

Mr. MILLSPAUGH. Isn't the Interstate Commerce Commission grilled once in a while?

Mr. HAMMER. It makes an annual report once in a while?

Mr. REED. I want to say to the committee that the House has granted unanimous consent for this committee to be in session here and not attend the sessions of the House.

Mrs. BOGGS. I do not want to take your time unnecessarily.

Mr. REED. Unless the members desire to ask some further questions, that will be all.

Mr. KELLER. I just want to get this into the record. You paid \$50 before the war, or for a period some time before the war, and at that time you got service as far as heat and light and elevator service goes?

Mrs. BOGGS. Janitor service also, and elevator service.

Mr. KELLER. Now, since the war they raised you to \$80?

Mrs. BOGGS. Yes, sir.

Mrs. KELLER. And then they eliminated many of the services that they had been rendering before?

Mrs. BOGGS. Yes, sir; they cut off the hot water and janitor service.

Mr. KELLER. Then the Rent Commission reduced the rent to \$63.51?

Mrs. BOGGS. Yes, sir.

Mr. KELLER. That is what you are paying now?

Mrs. BOGGS. Yes, sir.

Mr. KELLER. If it had not been for the Rent Commission you probably would be paying \$100 now?

Mrs. BOGGS. We probably would be paying \$150. That is what they were going to raise them to.

Mr. MILLSPAUGH. You say you would have been raised to \$150. What evidence have you of that?

Mrs. BOGGS. Because the woman said she could get that for the apartment.

Mr. MILLSPAUGH. But they didn't serve you with any notice to that effect?

Mrs. BOGGS. They served us a notice to vacate in 30 days.

Mr. MILLSPAUGH. They did not serve notice on you raising the rent to \$150, did they?

Mrs. BOGGS. No; because they did not get a chance to raise it, because I flatly told her we would not pay a dollar more.

Mr. MILLSPAUGH. Let us confine ourselves to facts and not fancies. You said your rent would have been raised to \$150 if it had not been for the Rent Commission.

Mr. KELLER. Mr. Millspaugh, so far as my questions have gone, I asked the questions, which are absolutely fair, and I wanted those figures, and they are in there—that they were raised from \$50 to \$80 and the Rent Commission reduced it to \$62.50.

Mr. MILLSPAUGH. Your questions were entirely proper, of course.

Mr. KELLER. It was fixed at \$62.50 because the Rent Commission had power to fix the rent, and there is no question in my mind that if the Rent Commission had not been here they would have been paying \$100 right now.

Mr. MILLSPAUGH. Your question I understand is entirely proper; but the lady goes on to state that her rent probably would have been \$150. That is fancy; I want facts.

Mrs. BOGGS. Not at all, sir, not at all. I wanted to tell you that we had at one time—when we first took the apartment we had janitor service; the elevator ran all night; we had heat and hot water; and we could get some repairs. Later on they ran the rent up to \$80 and cut off the elevator at 12 o'clock at night, the very time when you would be coming in from a theater or a ball, and you would have to walk four or five stories up.

My stove gave out, and I understood—the kitchen stove—that it had been there since the building had been put up. I appealed to the woman who said she was the head of the building, and she refused to put in a stove, and after much trouble and having an investigation, and they said the stove was dangerous and the maid threatened to leave, then she sent a cracker box—a thing about this size [indicating]—there for a stove—a thing that you couldn't cook a turkey in at all. I had to get my neighbor across the hall to cook my turkey, when I had turkey.

Now, that is the condition, and that miserable little stove is still there, which I have got to replace myself.

Mr. REED. Are there any other questions, gentlemen?

Mr. SPROUL. Did I understand that you had property here that you rent?

Mrs. BOGGS. No, sir; I have property here; I have an acre of ground near Chevy Chase.

Mr. SPROUL. No buildings on it?



Mrs. BOGGS. No, sir.

Mr. SPROUL. It is vacant property?

Mrs. BOGGS. Yes. And I have also offered the use of it to anybody who wanted it—anybody who was down and out and wanted to camp there for the summer—especially to anybody with children. But I have no renting property in Washington at this time. But my family, my relatives and friends have, and I just wanted to tell you that these people that I came to represent have been horribly oppressed and there is great need for the Rent Commission staying in existence.

Mr. REED. Thank you for your statement, Mrs. Boggs. We will now hear Mr. Erwin.

#### STATEMENT OF MR. J. T. ERWIN, WASHINGTON, D. C.

Mr. ERWIN. My name is J. T. Erwin, Monmouth Hotel.

Mr. REED. Will you be sworn?

Mr. ERWIN. Yes; I will be sworn.

(The witness was sworn by Mr. Reed.)

Mrs. BOGGS. Mr. Chairman, pardon me, may I make one statement which is due you, that I should before I take my seat?

Gentlemen, understand me, please, that I was not asked to come here by any member of your committee or by the Rent Commission. Nobody knew that I was coming. I was asked to come by the people who are oppressed, and I came.

Mr. ERWIN. I am going to read, if you will let me, just what I expected to say here, then I will comment as I go along. Ten minutes will cover it. I came to Washington in the fall of 1918, and I was forced to spend several days in a hotel, where our rates for room were \$7 a day.

After searching for days for a place to live we were finally forced to take an apartment, after protesting the rates that they were charging, in the Monmouth Hotel. We came to the Monmouth on the 18th of December, 1918, where we have two rooms, kitchen, and bath for \$60 a month. The contract signed for nine months only called for electric lights throughout the building, gas for cooking, hot water, elevator service, awnings, screens, and such other fixtures as might be added.

Mr. SPROUL. Were the rooms furnished or unfurnished?

Mr. ERWIN. They were unfurnished. The awnings had never been put up. The heat goes off every day about 10 a. m. and does not come on before 3 p. m. Hot water is off frequently and was off continuously at one time from October 1, when we returned last summer after a short vacation, until December 24, 1921, until about noon; then we could get a little hot water. Mrs. Erwin could not have her dishes or anything cleaned where hot water was necessary till afternoon.

The elevators have been a little better than no elevators for most of the time up to about six months ago. They are better now, but are yet a poor excuse for an apartment charging such rates as are charged at the Monmouth. Now, the poor condition of the elevators is not accidental, but it is in line with the plan of the entire apartment house. They are old elevators which were taken in preference to new ones; that they were admitted to be poor is shown in the fact that the owner refused to pay for them. Now, this is taken from the Rent Commission's investigation of the Monmouth Hotel when the man who sold the elevators made that sworn statement that he offered them new elevators and they refused to take them, but took the old ones, and then after they did not give satisfaction they refused to pay for them, and this man sued him for them. This can be found in the extract of the Rent Commission's investigation of the Monmouth Hotel. The elevators came from the old Southern Railroad office building, as was testified then, and everything in this building is second hand where secondhand goods can be used.

The construction is also poor. The floor is rough and the ends of the plank in many places—planks of the floor in many places do not reach to the base boards, but there will be maybe half an inch or sometimes as much as an inch space there, and in the walls where the base board is supposed to fit up nicely there are cracks from a quarter of an inch to an inch wide. Now, this is in construction.

Under the windows there is no base board, no window sill, and the water pours in under our windows when the wind blows from that direction, and the water runs down on the floor. The paper under the windows is all loose and torn on that account.

In our room there are cracks running across the ceiling and there was a leak in the roof—we are on the top floor—and through this leak the water had come down and ruined the floor, and the landlord fixed the plank that was out of shape, and after a long time he fixed that leak in the roof, but there are now two cracks running entirely across either way and down the wall. So that shows the construction is poor.

The floors are rough, and when you walk over the floor it would crack under you. You can not walk at night without feeling that you are disturbing somebody beneath you if it is after time for retirement.

Mr. SPROUL. Mr. Chairman, I think we could save a great deal of time—we are not trying these cases and trying to find out in what condition the apartment buildings are; we are simply trying to find out if it is the proper thing to continue this measure, and if the gentleman would say what the commission has done for him, if it has lowered his rent, I think that is what we want to know.

Mr. ERWIN. I will do that in a few minutes.

Mr. SPROUL. I don't think it is necessary to put all this into the record. That case has been tried out in court.

Mr. ERWIN. Yes. Now, I did not sign the contract that we were to request a reduction, because they attacked Mrs. Hamilton. Mrs. Hamilton is the lady manager, and because she is a woman and was attacked for not doing her duty. I did not sign that, and preferred to let my rent go on at \$60 is if was absolutely necessary, rather than to attack a woman.

Now, they reduced my apartment, and after reducing it they—

Mr. SPROUL (interposing). Who reduced it, the Rent Commission?

Mr. ERWIN. The Rent Commission; yes. They reduced it to \$37.50, and I believe if you gentlemen were to see that apartment you would think \$37.50 was plenty for it. Now, they reduced it and I went to Mr. Merillat, their lawyer, and I said to Mr. Merillat: "You know I did not complain." I was asked by him to be a witness on his side, and I went down and told why I did not sign that paper. I asked him then—I said: "Let us have some understanding about this. Since my apartment has been reduced, and I know the law, and you know it, let us place this money as a trust fund, the \$22.50 that I am getting. I don't want to pay it to you because I will have to sue for it. I don't want to sue you; I simply say, let me place that \$22.50 as a trust fund, and then if the law is found to be all right, you will get it or I will get it, as the case may be." He said: "We will do nothing but go back to the contract."

Now listen, I did not violate that contract; I paid my \$60 during the lifetime of that lease, but he violated it in that the awnings had never been furnished, which he promised; the elevator service was not there, and we were told it would be good. We were not told secondhand elevators would be used. I walked that stairway to the eighth floor up until last summer, when my heart gave way, when the doctor told me that it was walking those eight flights of stairs that made my heart go bad. I was off for the summer, and after coming back the elevator service has been some better, but the elevator service has not been good.

Now, then, these people notified us in the letter which I have that they refused to abide by the Rent Commission's action; that they did not propose to abide by it, even before it was ever contested.

After the first decision of the court of appeals saying it was not constitutional, though it had not come up before the court of appeals except as a business proposition, they went out of the way to say that all of the Ball Rent Act was not constitutional. Then it was carried to the Supreme Court and the Supreme Court decided it was constitutional. I then went back to see Mr. Merillat, and I said: "Now, the Supreme Court has decided that the law is constitutional, and I feel that I have a right to have my money that I have paid, which is more than I was due to pay according to the decision of the Rent Commission, which is constitutional." He said: "We don't propose to abide by that; we are going to make you pay the whole amount and keep on paying it," though my contract had not been renewed.

Mr. KELLER. You paid \$60 right along then to the landlord?

Mr. ERWIN. To the owner, to the landlord; yes, sir.

Mr. KELLER. And that was \$22.50 more than the decision of the Rent Commission?

Mr. ERWIN. Yes, sir; \$22.50 more than I was to pay.

Mr. KELLER. For how many months?

Mr. ERWIN. I do not know just when the rent law—it was the 28th of January, I believe, 1920.

Mr. KELLER. Five or six months?

Mr. ERWIN. Over a year.

Mr. KELLER. Then after the court had said it was legal, they refused to refund the \$22.50 a month?

Mr. ERWIN. Yes, sir.

Mr. KELLER. Now, I want to make an observation here. It has been stated here that the property owner is not treated fairly because of the people who do not pay a certain amount of money which the Rent Commission fixed, and they could not collect; now we have evidence where the property owner did the same thing as some of the tenants did. So, as far as that is concerned, I would like to have it go into the record that they have probably been unfair on both sides.

Mr. REED. You were speaking about the litigation, Mr. Erwin.

Mr. ERWIN. I told him: "Now, I am going to do this: the Supreme Court says the law is constitutional, and I am not going to pay you anything until that money is used up." When that money was used up I tendered him a check for \$37.50, which he refused. Next month I sent him another check for \$37.50, which he refused, and notified me that I had to move out.

Now, in view of that fact, after I had walked those stairways three or four times a day, as the case might be, to maybe once in two or three weeks, because sometimes the elevator was running—after he had refused to pay for the elevators and admitted that they were not good by that fact, yet he did not give us any reduction; he did not give any consideration to us, and therefore he violated his own contract.

Now, he violated it again. During the lifetime of this contract he said: "You must pay a service charge." I said: "What for?" "Why," he says, "we are giving you telephone service." I said: "Yes, but my contract called for a flat \$60 rate, which was to cover everything. There were no specifications of anything to be added," and I never paid that service charge. Then we began to get poor service until we told them we would have to get better service. Then he violated his contract again. My contract calls for electric lights throughout the building. Now you understand that is not a fireproof building. They say it is, but I have had an expert there who tells me that the walls are not fireproof, the inside walls; but that they are fire-resisting, and that in case of fire these walls will crumble.

Now we are on the eighth floor. There are no fire escapes. I was subjected, as one of the men who was paying his \$60—I was subjected to the danger of oil lamps under me in the apartment beneath. Why? Because when anybody refused to pay, he cut off the service. He made them use oil lamps. There is a woman here now that has been over 200 days without any lights because she was trying to abide by the law that had been declared constitutional. Now I say to you that they had no right to force me to live there when I was paying my \$60 a month and be subjected to the danger of oil lamps under me. They had no right to do that, because they could have had a fire panic and there were no fire escapes, and we could have had serious trouble.

That is not all. They said: "We are going to require that no dogs be in this building." One of the first dogs brought into that building was brought in by some of the people who worked in it. Now I have not complained of the dog, but I want to show you that they have not lived up to their contract. They say things and then they do not enforce them.

Also there have been no awnings put in, as was agreed in the contract.

Mr. HAMMER. I want to say that I learn one of those tenants has brought suit for damages for being two weeks in the dark and got a verdict and the supreme court sustained the case.

Mr. ERWIN. Yes. Now there were three girls, I believe, living in an apartment there, and those three girls were trying to live by the Rent Commission's decision. They had paid the rent and had a surplus over, and when the Rent Commission decided—when the court decided the law was constitutional, they refused to pay, and one day when they came home their door was soldered up so that those girls could not open the door. There was no court action, but they just took it upon themselves to go there and solder the key-hole, and these girls were forced to go out for two nights and stay somewhere else. Now suppose those girls had had no friends to go to and no money, and suppose when they came in from their work—they were Government workers—they had had to go out and find some place to live?

That is what we have had to put up with there. I have come to the elevators in the morning when one would be running and the other one was out of fix, and maybe there would be some little furniture on it, and I could not get that elevator to move but would have to walk down. Now there is carelessness there on their part. They placed furniture above the comfort and convenience and lives of the people in that building. They put anything above that, it didn't make any difference what it was. They didn't seem to have any consideration for us. And remember I was there as a witness for them, not for myself; not that I wanted to testify, but I went there to tell why I did not sign, and the only reason because the woman manager was being attacked and my sympathies were for her. I wanted a reduction, and I will tell you men if some of you could see what we have had to put up with in the Monmouth Hotel—

Mr. HAMMER (Interposing). That is the same hotel that was put into the record by Brother Millspaugh yesterday, the Court of Appeals decision showing the unfairness of the Rent Commission in its decision?

Mr. MILLSPAUGH. What did the Court of Appeals show the returns were on the building?

Mr. HAMMER. I am glad you are here. I want you to hear what you say.

Mr. ERWIN. I will tell you something of that. There are two buildings built there side by side, built at the same time—almost side by side. The other building is a much better building than this, and was built for less money than these men claim they built their building for. Now, as they kept no records, you can not find out what it did cost them.

Mr. HAMMER. Right there, may I say that I understand they claim it cost \$500,000?

Mr. ERWIN. Yes, sir.

Mr. HAMMER. And is it not a fact that Mr. Harry Wardman appeared before the Rent Commission and stated that he would take the contract to build it for \$200,000?

Mr. ERWIN. Yes, sir; he said, "I will build that building for 35 cents a cubic foot. I will make a contract right now with anybody that wants to put it up and replace that building for 35 cents a cubic foot," when the prices were just as high as they were when that building was constructed.

Now, that building did not cost so much. It is secondhand material; it is a cheap grade of work all the way through; there is nothing put in there that did not have to be put in it, and not as much as ought to have been put in sometimes.

Now, the heat going down is not because of deficient construction, but because they want to save coal. They say it is to clean the furnace, but I have had some work with furnaces, and they don't run the heat from about 10 o'clock in the morning to about 4 o'clock in the evening in order to save that much coal. They forget that some people are in the building suffering during that time. People have taken bad colds because they could not get heat.

Mr. Karrick said here the other day that they had to go up on the interest rates and, therefore, they had to charge more, and it was with difficulty that he got that money. A little while after, when it suited his convenience, he said they had barrels of money. Now, I ask, why did he have to go up on the interest rate to meet that debt if he had so much money, unless it was money to him to pay that high rate and get the rent that he was getting from us, although the law had been established as constitutional?

Mr. MILLSPAUGH. Will the witness please yield just a moment?

Mr. ERWIN. Yes, sir.

Mr. MILLSPAUGH. Do you want to take the stand that the court of appeals is wrong and that the Rent Commission is right?

Mr. ERWIN. I take the stand that the court of appeals first decided it was unconstitutional until the Supreme Court decided it was constitutional. I don't go any further than that.

Mr. MILLSPAUGH. Did not the Supreme Court decide by as even a decision as it was possible for it to decide?

Mr. ERWIN. And so did the court of appeals.

Mr. MILLSPAUGH. Because the court of appeals was overruled once by the Supreme Court, do you mean to say that the court of appeals is always wrong and the Rent Commission is always right?

Mr. ERWIN. Mr. Millsaugh, if you will get the record of the court of appeals with reference to the Rent Commission in Washington, D. C., and watch

its decisions—I don't want to comment on it; I will leave that to you after you have watched its decision.

Mr. MILLSPAUGH. I want your comment.

Mr. ERWIN. No; I am not trying the court of appeals.

Mr. MILLSPAUGH. That is not fair. I want to know what you think about it.

Mr. ERWIN. I say you get their records.

Mr. MILLSPAUGH. I want you to charge the court of appeals.

Mr. ERWIN. I am not doing that.

Mr. MILLSPAUGH. I do not hesitate to charge the Rent Commission.

Mr. ERWIN. You go and see for yourself their decisions. I ask you to go and see them. They threw out Mr. Wardman's testimony. Mr. Wardman is the best builder in Washington, perhaps, and he was their own witness, and why they threw it out I don't know.

Mr. MILLSPAUGH. Do you mean to say that the court of appeals did that wrongly in their decision?

Mr. ERWIN. No, sir; I don't say that.

Mr. MILLSPAUGH. Well, the inference is that, is it not?

Mr. ERWIN. I simply say you may go and see their records—where every time they attacked the Rent Commission.

Mr. MILLSPAUGH. Why do you make that statement?

Mr. ERWIN. You can find it out.

Mr. MILLSPAUGH. I understand, but there must be some reason for your making that statement.

Mr. HAMMER. Mr. Chairman, the Senate has seen fit to make these appeals direct to the Supreme Court. Possibly the Senators might be able to inform him why they did it. I do not think the gentleman wants to place himself in the position of criticizing the court. I happen to know this witness, Mr. Erwin. He is from my State and was educated partly in my county, and he is a gentleman of the highest character and integrity, and he would not reflect upon any court, not purposely, for the purpose of degrading it.

Mr. MILLSPAUGH. Why not come out straight and say it, instead of giving the inference?

Mr. HAMMER. But, Mr. Millsbaugh, it is perfectly obvious that the Senate has got some reason for having these appeals go direct to the Supreme Court instead of going to the court of appeals; and if you would direct your questions to those who changed it, you might get some light.

Mr. MILLSPAUGH. I am mighty glad to hear that. I want to bring this out.

Mr. REED. Now, the time the gentleman asked for expired several minutes ago. Have you any closing statement to make in a few words?

Mr. ERWIN. I want to say, sir, that I was born a landowner. My people are landowners, and I have no criticism of landlords. I am speaking for myself and for thousands of people, some of whom are widows, who came here in war-time conditions to render a service to their Government. They get from \$1,200 to \$1,800 or \$2,000 a year, and they are asked to pay \$780 of that for a house. That is as nearly as I could describe our condition. Now, I say that the Rent Commission has done good work. They have saved us a great deal of money; and if this rent law is not continued, it has already been, not openly expressed, but intimated as a purpose of intimidation, that if we don't pay the amount they have asked for rather than the amount that is set by the Rent Commission they will get us when the rent law expires. Now, I say that if the law is not extended there are people who will suffer in Washington.

Mr. MILLSPAUGH. I just want to ask one question.

Mr. HAMMER. I want to ask a question, if you are through.

An architect by the name of Holloway testified in the hearing before the Rent Commission, and I learned that he testified that this building was not an apartment house, but was a second-class tenement house; and I am informed by some of the occupants of the house that they wait and wait and wait for the elevator when the elevator is in operation. Frequently the bell does not ring, and frequently when they are on the eighth floor the elevator will come up to the seventh floor and deliver ice, and they will holler at the elevator man to come up after them, and when they remonstrate afterwards and make a complaint downstairs they are told that they are there for the purpose of delivering ice, and that is the first thing, the service of delivering ice, and they can walk down if they don't like the service they are getting.

Mr. ERWIN. That is right.

Mr. HAMMER. I mean, they are told they can move out or walk down. I am also informed by two ladies who are on that top floor and next to the top floor

that much of the time they are compelled to walk up and down those seven flights of stairs.

Mr. ERWIN. I walked eight.

Mr. HAMMER. And, say twice a week, at certain periods that they are compelled to walk up and down those stairways, and that the water runs in some of the apartments in a stream a fourth of an inch, or such a matter, in diameter, and that it takes half an hour, or such a matter, to fill the basin in which they bathe, and it is with the greatest difficulty that they can get any service at all that is half-way respectable.

Mr. ERWIN. That is right; and much of the time there is no hot water, and on October 4 when we returned, after I had been off for my health last summer, after my breakdown from walking those flights of stairs—when we returned on the 4th of October there was no hot water before noon in that time till about Christmas. It was nearly Christmas before there was any hot water could be gotten in the forenoon.

Mr. MILLSPAUGH. Are those conditions existing in the Monmouth at the present time?

A VOICE. Yes, sir.

Mr. ERWIN. We have had it two or three times in the last month.

Mr. MILLSPAUGH. What has the Ball Rent Act done to mitigate that?

Mr. ERWIN. It would have done a good deal for the decision in the Rent Commission case which was referred back to the court to come up to-morrow.

Mr. MILLSPAUGH. They have not mitigated that condition any, then?

Mr. ERWIN. Yes, sir; it is not their fault. You make the law so that they will be protected and they will do it.

Mr. MILLSPAUGH. But that is the condition existing now in the month of April?

Mr. ERWIN. Yes, sir.

Mr. MILLSPAUGH. Now, I want to ask you this question. One of the previous witnesses rather resented the committee criticising the Rent Commission. Do you not believe that it is better to openly criticize a body of that kind than it is to cast an intimation or an inference that a judicial body is not functioning properly? Why not come out and say so?

Mr. KELLER. I would like to say a word right there. The commission did its duty and passed on those cases as they saw was just and fair; then they carried them into court. You know, as far as the question of the right of the tenants was concerned, that was carried into court, the Supreme Court, and now these other questions that we are now discussing are in court and there is no question but that if the court acts favorably on the law, the commission will see that they will carry it out and that the people will get service; not only that they will fix the rent but they will see that the people get service in those houses. There is no question about that.

Mr. HAMMER. Let me make an observation there. The gentleman from Missouri hesitates and thinks it is a great wrong for you to intimate that the court of appeals may possibly make a mistake, but he unhesitatingly criticizes the Rent Commission, another court, or a quasi court at least.

Mr. MILLSPAUGH. Why don't he come out and say it instead of intimating?

Mr. ERWIN. I will answer your question here if you will allow me. I did not make that reflection upon the court of appeals, but you said that a day or two before apparently the court of appeals decision had been questioned, and therefore I said you go to the records.

Mr. MILLSPAUGH. But you do say the attitude of the court toward the Rent Commission has been unfair.

Mr. ERWIN. No; I have not said that.

Mr. MILLSPAUGH. But that is the inference.

Mr. ERWIN. I said you go and see their records in every case and you can draw your own conclusions.

Mr. HAMMER. The Supreme Court of the United States said the court of appeals was wrong about the question of constitutionality in holding the rent act unconstitutional.

Mr. REED. Is that all you care to say?

Mr. ERWIN. That is all, I think.

Mr. HAMMER. What is your occupation now?

Mr. ERWIN. I am teaching mathematics in George Washington University.

I might say just one more word. They made the statement here several times that this law if extended would operate against the renters. Now, I want to know why so many landlords are clamoring for its repeal if it is going to operate

in their favor? It stands to reason that if it is a law that is hurting them they will fight it; if it is a law benefitting them they are going to uphold it.

Mr. MILLSPAUGH. I am glad you made that statement because I want to make my position more clear in regard to this. You probably have the idea that I am for the landlords. Nothing is farther from the truth. I want to say to you that my position in this matter is that the Ball rent law is working a hardship on the tenants.

Mr. ERWIN. It is not—with us.

Mr. MILLSPAUGH. Wait a moment, now. I am going to illustrate this. The position I take is that if the Ball rent law is allowed to expire rents will soon reach a low level because of the building that will be inaugurated here. Now, in illustration of that, as to the position of the tenants, I might say this—I might quote an old story illustrating the position that the tenants take in this matter, of the lady who was sitting in the car seat in a railway train. Just behind her was the nurse with the little boy, and the little boy kept crying, and the lady, without looking around, said to the nurse: "What is the baby crying about? Let him have what he wants." And presently a howl went up, and she said: "What is the matter?" The nurse replied: "He was asking for a bee and I let him have it."

Now, that is what I think the tenants are getting with this Ball Rent Act: they are getting a bee. It has already stung them, and as soon as this Ball Rent Act expires money will flow in here and houses will be built for rent and apartments, and the law of supply and demand will settle the question. I am going to be frank with you; I am surprised that a teacher in George Washington University would so far forget the law of economics that he would stand before a committee like this and ask for a law of this kind. I would hesitate to have a child of mine taught that the law of supply and demand would not avail in this case.

Mr. ERWIN. I am surprised that a man from Missouri, a Representative of Missouri, who is sworn to do justice to the renter as well as to the landlord, would do all of his work investigating on the landlord's side. Now, I would like to ask how many places have you been to investigate the apartments of women from your State? Have you investigated any? I would like to have it go down on the record here if you have investigated any.

Mr. MILLSPAUGH. What has that got to do with it? If I believe honestly and conscientiously that the Ball Rent Act is hindering an economic law, then, under my oath ought I not to oppose it? Will you answer that? You can answer it yes or no.

Mr. ERWIN. Yes; I will say so.

Mr. MILLSPAUGH. And I believe it is hindering the operation of an economic law, the law of supply and demand.

Mr. ERWIN. I believe, on Friday when I was here, you said you would be ashamed or afraid to let your people in Missouri know that you had voted to increase their taxes to extend the law whose aim is to relieve the sufferings of women as well as others.

Mr. MILLSPAUGH. No; I did not say that. I never said that it was a law to relieve the sufferings of women.

Mr. ERWIN. You did not add that last statement?

Mr. MILLSPAUGH. No; you added that.

Mr. ERWIN. I added that because you left that part off.

Mr. KELLER. I would like to ask a question.

In your judgment is it absolutely necessary because of conditions here to have some regulation here, because you believe that if the rent law was repealed the rents would be higher?

Mr. ERWIN. I do. I will give you one instance—

Mr. KELLER (interposing). Just a minute. Now you are positive that the rents would be higher?

Mr. ERWIN. Yes, sir.

Mr. KELLER. Then, do you think it would be universal all over the city if the rent law was repealed? Would all those landlords be in the same position?

Mr. ERWIN. I don't know about them. I am not familiar with them. I believe most of them are fighting the law, the rent law.

Now, I wish to say that I think it is a reflection on the renters and on the landlords if we have gotten on opposite sides. We are fighting for the rent law and the landlords are fighting against it. Now, why are they fighting it? Because it hurts them, not the good ones, but those who are greedy. There seems to have been a disposition here, and everywhere, I suppose, during the war that

because people are getting good wages we will charge big prices. Rents have not gone down.

Now, in answer to you, a few days after the Senate left out in their Rent Commission act business property, the place where the Department of Justice was housed, the rent was jumped from \$35,000 or \$36,000 to \$300,000, nearly 1,000 per cent. Now, doesn't it stand to reason that if they do that with business they will do it with us? Why are they evicting people? They talk about the money they are losing. What is it? It is that excess money that the Rent Commission has not allowed them.

Mr. MILLSPAUGH. The Ball Rent Act does not apply to business property.

Mr. ERWIN. No; and that property jumped up immediately as soon as they found it did not apply.

Mr. MILLSPAUGH. That is just one case. How about the other business houses in town; are they finding any trouble?

Mr. ERWIN. Wait a few days and see.

Mr. MILLSPAUGH. It has not been done under the Ball Act now.

Mr. HAMMER. The Senate committee report states that rents on business houses have gone up very rapidly since business property was eliminated when the rent act was last extended.

Mr. MILLSPAUGH. Wait a moment—the Ball Rent Act does not cover business property. Business property does not come under the rent law.

Mr. HAMMER. It has not for seven months.

Mr. MILLSPAUGH. And what has been the condition?

Mr. HAMMER. And the Senate committee says in its report, Mr. Millspaugh, if you will read it, that rents went up very rapidly.

Mr. MILLSPAUGH. Have you seen any distress among business men from raise in rents?

Mr. KELLER. Yes; I have. I have had a number of reports from them.

Mr. MILLSPAUGH. Bring them in. The evidence is the best thing.

Mr. ERWIN. You have looked up only on the other side; you have not investigated anything on the side of the tenants.

Mr. MILLSPAUGH. The evidence is the best thing.

Mr. KELLER. I have some people who will be glad to appear—who want to appear—but they think that if they do they may be thrown out to-morrow.

Mr. MILLSPAUGH. Oh, that is child's play.

Mr. KELLER. Now, Mr. Chairman, it is not child's play, because some people have been thrown out in the last month.

Mr. MILLSPAUGH. These people here are not afraid to come.

Mr. KELLER. Because they are protected under the law now.

Mr. MILLSPAUGH. Do you want to put business property under the Ball Rent Act?

Mr. KELLER. I would just as soon; yes.

Mr. MILLSPAUGH. Why don't you do it? Why did the Senate take it out?

Mr. KELLER. That is up to them.

Mr. HAMMER. For the information of Mr. Millspaugh—and he asked the question—I will state to him that the Merchants & Manufacturers Association of the District of Columbia filed a petition with the Senate committee requesting it to place business buildings back under the law.

Mr. MILLSPAUGH. Why was it not done?

Mr. HAMMER. They have done it in this bill.

Mr. MILLSPAUGH. No; they have not; read the bill.

Mr. HAMMER. Did they leave that out on the floor of the Senate on its passage?

Mr. MILLSPAUGH. Yes. I wish you would post yourself on this bill.

Mr. HAMMER. Well, I will admit that I don't know everything; neither does the gentleman from Missouri. Any lawyer or any intelligent man that has been in this committee room and will follow his questions will see that they are the most ridiculous.

Mr. MILLSPAUGH. You have asked such questions of the witness many times. You have offered yourself as my witness a number of times.

Mr. HAMMER. Well, I admit that I don't know everything and I don't claim to, and I have got sense enough to know that I don't know everything.

Mr. REED. The committee will be in order.

Mr. KELLER. I understand the Senate committee reported the bill out including rents of business houses, but the Senate struck it out.

Mr. HAMMER. And I want to say further that a gentleman will not resort to such tactics.



Mr. MILLSPAUGH. Do you mean to say that I am no gentleman?

Mr. HAMMER. I mean to say that a gentleman does not engage in that kind of tactics, and I do say the gentleman in his conduct makes so many blunders that he should be a little more charitable toward those who have not had the opportunity in life that he has had to acquaint themselves with business matters. I do not know much about business but I do know something about law.

Mr. MILLSPAUGH. You have had a great deal more experience than I have, and I bow to your superior knowledge.

Mr. KELLER. As I understand it, the Senate committee reported out the bill including the regulation of business houses; the Senate did not agree with the committee and struck out that part of the law. Is that correct?

Mr. ERWIN. That is correct as I understand it.

Mr. REED. The Chair will state that he has had several business men speak about rentals of business property to him and they were frantic over the situation that confronted them; one or two of them came back afterwards and said that they had compromised with the owners at largely increased rents, which were most burdensome; but as they had built up a business in the stands so long occupied by them they could not afford to abandon them and seek new locations.

Mrs. ERWIN. Mr. Chairman, may I have just a word? I have an appointment at 4 o'clock.

Mr. REED. Just a moment, please.

Mr. HAMMER. Give the lady just a few minutes.

Mrs. ERWIN. I have an appointment at 4 and I am very anxious to say this, that I think the only salvation for the tenants in the District of Columbia is the extension of the Ball rent law. I have often heard the old expression "I am from Missouri; you will have to show me," and the only thing we can do is to extend the law and convince the gentleman from Missouri that it is needed.

I thank you.

**STATEMENT OF MR. JOHN F. MILLER, MONMOUTH HOTEL,  
WASHINGTON, D. C.**

Mr. REED. You want about 10 minutes?

Mr. MILLER. Yes, sir.

Mr. REED. What position do you hold?

Mr. MILLER. I am an accountant in the Bureau of Internal Revenue.

Mr. HAMMER. Before we begin that I would like to put these resolutions into the record, the resolutions from the Merchants and Manufacturers' Association of Washington, asking that business houses be placed under the law, if there is no objection.

Mr. MILLSPAUGH. Well, I don't know about that. If I am so totally unfair in this thing.

Mr. HAMMER. Well, now, I hope the thing is over when it is over.

Mr. MILLSPAUGH. Well, if I am not conducting myself as a gentleman.

Mr. HAMMER. I hold nothing. That is one of the little things of little men and I hope the gentleman does not feel that way about it.

Mr. MILLSPAUGH. I am not big in avoirdupois; I will admit that.

Mr. REED. Is there any objection to the resolutions going in?

Mr. MILLSPAUGH. I will waive any objections.

Mr. HAMMER. This is page 6023 of the Congressional Record.

Mr. REED. Is there any objection to the matter Mr. Hammer has presented going into the record? The Chair hears none, and it is so ordered.

The matter referred to follows:

MERCHANTS AND MANUFACTURERS' ASSOCIATION (INC.),  
Washington, D. C., February 15, 1922.

Hon. L. H. BALL,

Chairman Senate District Committee, Washington, D. C.

DEAR SENATOR BALL: At a meeting of the board of governors of the Merchants and Manufacturers' Association held yesterday afternoon the following resolution was adopted:

"Whereas business property rents are being increased to an abnormal and unreasonable extent; and

"Whereas probably 75 per cent of Washington business houses are lessees: Therefore be it

*"Resolved by the board of governors of the Merchants and Manufacturers' Association, assembled this 14th day of February, 1922, That the president of this association is directed to appoint a committee to advise Congress of the necessity of immediately including business property in the provisions of the Ball Rent Act and to make such representation to Congress direct or in connection with other organizations."*

President Anton Stephan appointed the following-named committee. The said committee having given the matter serious consideration, we, the undersigned, respectfully petition the Congress of the United States as follows:

While the special committee on business property rents believes that control and supervision of business and the person should be limited at all times, we are nevertheless conscious that when an extraordinary situation arises, the effect of which is to impair the common good, Congress should and must enact legislation to exercise a corrective influence.

Information has reached this association that during the last five years business property rents have mounted to heights absolutely beyond reason. Increases have ranged as high as 300 and 400 per cent, entirely out of keeping with the actual value involved.

It must be borne in mind that in practically every business property lease the lessee must bear the burden of all improvements and repairs, and indeed some of them carry provisions involving taxes and assessments.

The value of the dollar decreased 50 per cent in the most trying period that we have passed through. But that situation long ceased, due to the fact that practically everything except property rentals has dropped. Therefore those who are disposed to interfere with the common welfare through arbitrarily maintaining fictitious value should be made to peremptorily desist. The practice can only tend to operate to the disadvantage of the entire community.

One of the great mercantile agencies has reported that the total business failures, according to their records, for 1921 were 19,602, an increase of 155 per cent over the previous year, of which 13,999, or 71½ per cent, were among retailers. A substantial part of these calamities were due, we believe, to the inordinate rents that were assumed by retail merchants.

Experience has proven that a large part of the propaganda operating to increase rents has been developed through some of the large national chain-store systems, in addition to the selfishness of certain individuals who are unmindful of the consequences of their acts.

Straight-thinking men and women in America, from President Harding to our humblest citizen, are looking forward to the return of what Mr. Harding has so well termed "normalcy."

Such a much-desired situation can not be realized in the face of rising business-property rents, particularly where deflation has taken place in all other departments of business.

Your petitioners ask nothing more than a square deal from the business-property landlord.

If business-property owners are entitled to a greater return on their holding, they should have it; but we submit that in instances where tenants make repairs, and, indeed, have actually created entirely new buildings, with modern equipment, such as, no doubt, will last for 50 years or more, and did this upon the ruins of age-old buildings, abnormal and unreasonable increases in rentals should not be permitted.

The present admitted shortage of buildings is in no sense due to a lack of enterprise upon the part of the business community, but came about through the exigencies of war, when the necessities of the Government and the Nation demanded that there should be a cessation of building to conserve man power and materials for the then more necessary undertakings.

Excessive and unreasonable rents have the effect of increasing prices, increasing unemployment, and of generally creating a situation wherein discontent is nourished.

We believe that in the former amendment of the rent control act a grave mistake was made in exempting business property.

Since the absence of control demands have been made on lessees for increases, the undertaking of which can only spell disruption of established businesses and the increase of unemployment.

It is our individual conviction that if all parties joint hands we Americans, and particularly in the Capital of the Nation, can develop a spirit of enterprise

that will have a most heartening effect upon all the activities. But this is impossible if the landlord is to get the "lion's share" of the increment of business.

There is no reason why any business should be run solely for the benefit of the landlord or any one individual.

We trust that you and your conferees in the Senate and House will take immediate steps to bring about legislation correcting this great abuse of excessive rents for business property in the District of Columbia.

Yours very truly,

R. P. ANDREWS, *Chairman*,  
LOUIS LEVY,  
GEO. E. HERRARD,  
GEO. P. KILLIAN,  
FRANKLIN W. HARPER,

*Special Committee on Business Property Rentals of the  
Merchants and Manufacturers' Association at Washington, D. C.*

You have taken the official oath, Mr. Miller?

Mr. MILLSAUGH. Before Mr. Miller goes on, I want to ask Mr. Hammer a question.

Is it not a fact that the association afterwards questioned the authority of these men to go down and do this thing?

Mr. HAMMER. I do not know about that. As I tell you, I have not taken the time to investigate this like you have, as I said awhile ago. This has been before the Senate committee, and you spent four or five days down before the committee.

Mr. MILLSAUGH. No; I did not. I never appeared before the Senate committee.

Mr. HAMMER. I mean, to the office of the Rent Commission investigating, and I have not done that, and there a great many things about it that I do not know. I can find out, though.

Mr. REED. The committee will be in order. We will hear Mr. Miller.

Mr. MILLER. Gentlemen I occupy apartment 809 in the Monmouth Hotel, 1819 G Street, and I would like to correct some of the statements that Mr. Karrick made the other day in testifying before this committee. I want to say that he testified he had 80 people that were satisfied with the rents and had signed petitions to that effect. Now, gentlemen, I have one here that was signed by a young lady, and it was signed under false pretenses. They told her that if she would sign this petition they would repaint her apartment, they would repaper her apartment, then they would refinish the floors.

Mr. MILLSAUGH. Is the young lady here?

Mr. MILLER. No, sir; but I can have her summoned.

Mr. MILLSAUGH. She would be a better witness than this paper.

(Mr. Miller presented a paper.)

Mr. MILLSAUGH. Let me look at that.

Mr. MILLER (withdrawing the paper). Just a minute—we will put it over here.

Mr. MILLSAUGH. I guess I will look at it. Whose hearing is this?

Mr. HAMMER. The gentleman (Mr. Miller) is wrong about it. Mr. Millsaugh has a right to see it.

Mr. MILLSAUGH. Why take his part?

Mr. HAMMER. Let us not quarrel about it. I am not taking his part.

Mr. MILLSAUGH. I have a few rights left as any other member of this committee.

Mr. HAMMER. The gentleman is so excited he does not understand me.

Mr. MILLSAUGH. I am as cool as a cucumber.

Mr. HAMMER. I simply stated to you that Mr. Miller was wrong; that you had a right to look at it, as any other member of the committee had.

Mr. MILLSAUGH. Gentlemen, in reference to this complaint—

Mr. REED (interposing). You offer that as an exhibit?

Mr. MILLER. I offer that as the original. I am going to take it before the Rent Commission. This young lady signed it and gave it to me. I had her go and get it back from Mr. Plager, the agent. Mr. Plager showed her a pile of papers and says, "You sign this; it doesn't mean anything."

Mr. MILLSAUGH. Mr. Chairman, I object to that testimony for the reason that the young lady should come here herself and testify under oath. I shall be very glad to have her do so.

Mr. KELLER. The gentleman has a perfect right here.

Mr. MILLER. He has a right here, but he has no right to offer this.

Mr. HAMMER. If she would come here and be treated courteously.

Mr. MILLSAUGH. If the young lady is willing to come, why, let her come, but you don't have to accept her statements. Who is the lady that signed this?

Mr. MILLER. That is Miss Russell, who occupies 504, at 1819 G Street, the Monmouth Hotel. Now, there are people that have signed those waivers that don't understand what they mean. Mr. Plager showed her a pile of these waivers and said, "You sign this. It doesn't mean anything."

Mr. REED. Were you offered one?

Mr. MILLER. No, sir; because he knew I would not sign one. Now they are offering these improvements on these apartments, which are due the people anyhow for the rent they are paying, in order to get them to sign away their rights under the Ball rent law.

Mr. MILLSAUGH. Let me ask you this question: You stated that she signed it under false pretenses?

Mr. MILLER. Yes, sir.

Mr. MILLSAUGH. By the landlord?

Mr. MILLER. Yes, sir.

Mr. MILLSAUGH. How are we to know that she was not misled into withdrawing it? We can not tell. Let the lady come and testify for herself. That is the reason I object. I object to this going into the testimony unless the young lady comes.

Mr. MILLER. Well, I will tell you this, that we have a lady here that was asked to sign one, and after my testimony she will give you the information all about it and tell you what she was asked to do and why. Her name is Mrs. McGuinness, apartment 807.

Mr. MILLSAUGH. She has a right to be heard.

Mr. REED. Is there anything else you want to say?

Mr. MILLER. I want to say that I do not think it is right for the people to pay the rents of a first-class apartment house and get fifth-class service. I want to state that due to the lack of heat in my apartment during the months of December and January of this year—December of last year and January of this year—that my wife was taken ill and almost had pneumonia because we did not have any heat; and she came from the hospital with a 2-weeks-old baby, and she could not bathe the baby for the reason that we did not have hot water. I have repeatedly asked them to make the adjustment in the heat, and they would send five or six men up there to feel of the pipes to see if they were getting hot and never make any change. Finally I had to talk with Mr. Plager and offer to thrash him to get him to put in a new radiator, and he did, and it didn't heat any better; and I complained to the management about it, and they said, "I am sorry, but we have done all we can."

Now, I want to state that the Monmouth Hotel furnishes heat to the Ivy Inn next door and heats the Monmouth Hotel also, and the radiators are all second hand, as Mr. Karrick admitted in his statement before the committee.

Mr. KELLER. I would like to ask a question right there. Have you been having that kind of service ever since you have gone to this hotel?

Mr. MILLER. I came to the Monmouth Hotel in November, 1920, from the Hadleigh.

Mr. KELLER. Now, then, you have had that same service since you have been in the hotel?

Mr. MILLER. Yes, sir.

Mr. KELLER. They did not cut out some of the service after you had made a complaint?

Mr. MILLER. Well, I will tell you what they did do. I call up from my office to talk to my wife and the young lady downstairs is so interested in what I have to say that she cuts me off. When she can't get it all she opens the switchbox, so that she can get it all, and therefore I am cut off, and I have to call about three or four times.

Mr. MILLSAUGH. Do you know that she is listening in?

Mr. MILLER. Do I know it?

Mr. MILLSAUGH. Yes.

Mr. MILLER. Mr. Karrick, in his statement under oath, admitted that the operators had listened in on the tenants complaining. He made the statement here before this committee that the operators had listened in to the tenants talking between one another about the way they put it over the Rent Commission. Now, we don't need any other evidence about listening in.

Mr. MILLSPAUGH. I don't remember him testifying that the telephone operators did that.

Mr. KELLER. What I wanted to bring out was, did the property owner, after he found out that you were not satisfied with the rent and that you had made complaint in regard to service, did he give you poorer service after you made your complaint?

Mr. MILLER. Well, it was so poor I could not say it was any poorer.

Mr. KELLER. You have never had any service all the time you have been there?

Mr. MILLER. We have never had any service there. And another thing, the people that formerly occupied my apartment paid \$60, and when I came in they charged me \$65.

Mr. SPROUL. What are you paying now?

Mr. MILLER. I have not paid anything for the month of May, but I am supposed to pay \$65. I paid \$65 right along up to the month of May, when I was advised by counsel not to pay \$65 for May, because the case was coming up for hearing May 3.

Mr. SPROUL. How many rooms have you?

Mr. MILLER. I have two rooms, kitchen, and bath.

Mr. KELLER. And the Rent Commission fixed the rent?

Mr. MILLER. The Rent Commission fixed the rent at \$65, and it is not worth that. There are little cracks in the walls, and when it rains the rain comes in—there are no window sills in the windows and the rain comes in and wets the paper, and the paper comes off.

Mr. KELLER. And you have been paying \$65?

Mr. MILLER. I paid \$65 right along, because I was in a jam and I had to have a place. Then I went down to see the Rent Commission and was advised to wait till after the hearing, which was in May.

Mr. SPROUL. You are employed by the Government?

Mr. MILLER. Yes, sir.

Mr. SPROUL. In what service?

Mr. MILLER. I am an accountant in the Bureau of Internal Revenue.

Mr. KELLER. What is your salary?

Mr. MILLER. My salary is \$1,600 basic.

Mr. KELLER. And you are paying \$60 a month?

Mr. MILLER. \$65 a month, \$780 a year.

Mr. KELLER. I feel sorry for you.

Mr. MILLER. And I just want to ask the committee what do they think a Government employee can pay out of the salary he gets?

Mr. SPROUL. You do not believe that because you do not get a proper salary the landlord should make it good?

Mr. MILLER. No, sir; but I do want to say that—

Mr. SPROUL (interposing). You want to be fair to the landlord?

Mr. MILLER. Yes, sir.

Mr. MILLSPAUGH. You get \$1,840 with the bonus?

Mr. MILLER. I hope to get it. I am not getting it now. I am getting \$1,400, but I have been recommended for \$1,600. I am not getting it yet.

Mr. MILLSPAUGH. You would get \$1,600 and the bonus, and that makes \$1,840?

Mr. MILLER. That makes \$1,840, if I get it.

Mr. MILLSPAUGH. I hope you get it. I think you are entitled to it.

Mr. MILLER. I want to state that I served overseas in the trenches and I am a disabled ex-service man, and I don't think it is right for the people, after we come back from France, to raise these apartment rents up to \$65 a month when the same class of apartment or better rented for \$25 or \$27.50 before the war.

Mr. MILLSPAUGH. I want to say to you that I don't think any Government employee is getting enough money. I will be frank with you about that.

Mr. MILLER. Well, I hope to get out of it soon. I hope to take the C. P. A. examination in Pennsylvania just as soon as I finish school, and I hope to get out of the city; but I pity the people that have to stay here. I could not have gotten along if I had not had other income from my father down in North Carolina. I could not have lived. And I want to say this, that I made more money before I went to France than I do now.

Mr. MILLSPAUGH. You think that the Government wages are not large enough, especially here in Washington, for the expenses that you have to meet?

Mr. MILLER. Well, that may be true, but I had my choice and I decided to come here to school. I availed myself of the opportunity and I had to make up the difference, that is all.

Mr. MILLSAUGH. But what I want to get at is, you think they are underpaid, do you not?

Mr. MILLER. Government employees? To be sure they are underpaid.

Mr. MILLSAUGH. I think so.

Mr. HAMMER. I desire to observe here that my information is that the \$37.50 a month fixed for these apartments was 6 per cent on the investment in the building stripped of any service at all—no; I am mistaken about that; the Rent Commission held as a fact that they were entitled to 6 per cent stripped of service, and then they added service to it. I was wrong about that. That is what the Rent Commission advises me that the basis of their opinion was.

Mr. KELLER. You really feel that the Rent Commission protects the people from the landlords in the District?

Mr. MILLER. I know it is a protection to the people, a protection to the widows, a protection to the soldiers that are here without jobs and with families. It is protection to every disabled man in the District, and I assure you that some of the American Legion posts in this city have passed resolutions asking for the Ball rent law extension.

Mr. KELLER. In your opinion if we do not extend the rent law the rent will be considerably higher, will it not?

Mr. MILLER. It would, to be sure. I don't doubt but what they would ask me \$100 a month in a minute; in fact, the agent already intimated that.

Mr. REED. You may stand aside, if that is all you have to say.

Mr. HAMMER. Did Mrs. McGuinness want to be heard immediately following this, so as to keep up the line of testimony? You said she wanted to be heard, Mr. Erwin?

Mr. ERWIN. She says she does not feel that she can make any statement, in view of the fact that she does not wish to undergo the grilling.

Mr. HAMMER. I tried to make the matter clear this morning to these tenants that we did not mean to be disrespectful to them. She says she don't desire to make a statement because she don't want to undergo a grilling?

Mr. MILLSAUGH. If some lady wants to testify I will agree to keep perfectly quiet.

Mr. HAMMER. I know the gentleman doesn't intend anything by his earnestness. I have always found him to be a very clever gentleman and a man who likes to seek the truth, but he is like myself, he is a little bit zealous in the cause, a little over-zealous at times, probably, as I am.

#### STATEMENT OF MRS. F. J. MCGUINNESS, 1819 G STREET NW., APARTMENT 807.

Mrs. MCGUINNESS. My name is Mrs. F. J. McGuinness, 1819 G Street, NW., apartment 807. I am employed in the Internal Revenue Service. I have lived in the Monmouth Hotel since the end of 1918, and when I first moved in there I had a furnished apartment, two rooms, kitchen and bath, furnished. I paid \$115, and that was too much.

Mr. REED. Was that sublet to you by somebody?

Mrs. MCGUINNESS. No; that was right from the Monmouth Hotel.

Mr. REED. The proprietors furnished some of the apartments?

Mrs. MCGUINNESS. Yes; some are furnished. Then I brought my furniture on and moved up to the eighth floor, apartment 807, and when I first took that apartment I paid \$60. Then, in October, 1920, they raised me to \$75, and then when I refused to pay them \$65 a month they turned off my electric lights. My lights were off for 231 days, from May 18, 1920, to January 6, 1922.

And the service in that house has been something terrible. I was one of the first tenants there.

Mr. REED. Let me ask you, Is the electric current charged to the tenant and paid by him in this apartment?

Mrs. MCGUINNESS. The electric light is included in our rent. Our electric light, gas, and heat.

Mr. REED. It was supposed to be included in the rent.

Mrs. MCGUINNESS. Yes, sir.

Mr. REED. The reason I asked was that in some of the apartments they are metered to the tenant and he pays for what he uses.

Mrs. MCGUINNESS. No; it is included in our rent.

We haven't any elevator service; we didn't get hot water, and so far I haven't gotten any screens this year.

They asked my husband to sign one of those waivers, and he refused to do it. Mr. REED. That is the petition that was referred to that some 60 or 80 tenants signed?

Mrs. MCGUINNESS. Yes, sir; he refused to do it. They asked him why and he said he didn't think the rent was fair. So he said he would paint our apartment and do everything for us, which he has not done. And by turning off our electric lights we had to use oil lamps, and we put everybody in the apartment in danger, because, suppose one of our lamps had turned over and set the place on fire?

Mr. KELLER. May I ask a question? Are you paying rent now regularly?

Mrs. MCGUINNESS. I haven't paid for the month of May.

Mr. KELLER. Before that you paid \$65?

Mrs. MCGUINNESS. No; we paid \$65 up to April 6, 1920.

Mr. KELLER. And now the Rent Commission has reduced your rent to what?

Mrs. MCGUINNESS. To \$37.50.

Mr. KELLER. When was the rent reduced by the commission?

Mrs. MCGUINNESS. January 28, 1920. I have been in the apartment since 1918.

Mr. KELLER. And you kept on paying \$65 just the same?

Mrs. MCGUINNESS. Yes, sir; and then I tendered Mr. Karrick a check—rather, two checks—for \$37.50, and he sent them back, saying he was sorry he could not accept them. Then he turned off my electric lights, and he turned off my electric lights in May, 1920, for two weeks.

Mr. KELLER. When you wanted to comply, after the court had decided that the law was legal, and then you wanted to comply with the law by paying \$37.50, he refused to accept the checks, and then he turned off your electric lights?

Mrs. MCGUINNESS. Yes, sir.

Mr. KELLER. Was any other service eliminated?

Mrs. MCGUINNESS. He tried to turn off our gas, but couldn't.

Mr. LAMPERT. Did he give you any notice that he was going to turn off the lights?

Mrs. MCGUINNESS. No; I came home one day and found the lights were off. I didn't know a thing about it.

Mr. SPROUL. During the time the lights were off you didn't pay the landlord any rent, though?

Mrs. MCGUINNESS. No; because we thought he owed us. He owed us \$650. So then on January 3, when the court of appeals said the case had to go back to the commission, we started to pay our \$65 rent again.

Mr. KELLER. You started to pay it then?

Mrs. MCGUINNESS. Yes, sir.

Mr. KELLER. And they accepted \$65?

Mrs. MCGUINNESS. Yes, sir; and Mr. Plager has told me that half of the people in that house only pay \$60, and we are the only tenants he is charging \$65. He told me that in my own apartment. I said to him, "Mr. Plager, I understand some of the people are only paying \$60." He said, "Only half of them are paying \$60."

Mr. KELLER. You feel that the only protection you really have is the extension of this law?

Mrs. MCGUINNESS. The only protection we have is the extension of the law, because if it is not extended he will surely raise our rents.

Mr. SPROUL. The only experience the lady has had, according to her own testimony, since 1918, was the experience she has had in that one building, and why condemn all the rest of the landlords of the District because one landlord is wrong and doesn't furnish light and heat and hot water?

Mr. KELLER. Because the gentleman who was opposed to the bill, Mr. Millsbaugh, from Missouri, cited particularly this and one or two other places. He cited that as evidence against the bill, and therefore we think there might be many more places that we could bring here, but as long as he has brought up those particular apartment houses, naturally we would confine ourselves to those that he has mentioned.

Mr. MILLSBAUGH. Why don't you bring some other people here?

Mr. KELLER. I am not bringing anybody.

Mr. HAMMER. Mr. Karrick was brought here by Mr. Millsbaugh.

Mr. MILLSBAUGH. No; he voluntarily came.

Mr. HAMMER. But it was understood when we adjourned the other day that you were to have some witnesses here and he was presented as one.

Mr. MILLSPAUGH. He offered himself before the committee. I never met him before.

Mr. KELLER. I am perfectly willing to have you bring any number of witnesses, Mr. Millsbaugh. There is no question about that, but if you do we will have the privilege of having just the same number of people testify on the opposite side.

Mr. MILLSPAUGH. I understood that this is practically all the Monmouth apartment house this afternoon?

Mr. KELLER. I don't know about that. I am not asking the questions.

Mr. MILLSPAUGH. I agreed to keep quiet, but I would like to ask the lady one question. I will be very mild about it if she will let me.

Mrs. McGUINNESS. I will.

Mr. MILLSPAUGH. You and your husband are both in the Government employ?

Mrs. McGUINNESS. Yes, sir.

Mr. MILLSPAUGH. Would you mind stating your combined salaries?

Mrs. McGUINNESS. Well, I get \$1,200 plus the bonus, and Mr. McGuinness gets \$1,840.

Mr. MILLSPAUGH. That is basic?

Mrs. McGUINNESS. That is with the bonus.

Mr. MILLSPAUGH. That is \$3,100?

Mrs. McGUINNESS. Yes, sir.

Mr. MILLSPAUGH. Well, do you think that with that combined salary your rent is exorbitant?

Mrs. McGUINNESS. I sure do; yes.

Mr. MILLSPAUGH. How about the single girls?

Mrs. McGUINNESS. Single girls have five and six people in one apartment, and there is an apartment in our house, apartment 603, that has five rooms, kitchenette and bath, and that apartment is supposed to rent for \$100.

Mr. MILLSPAUGH. Congress is bombarded right now with petitions from single girls against married women holding positions in the departments when their husbands do also. Haven't they just about as good a right to kick as the renters have against the landlords?

Mrs. McGUINNESS. Why don't they kick?

Mr. MILLSPAUGH. They do. We are just loaded with petitions along that line.

Mr. KELLER. Now, I would like to ask you, you feel that the money you are paying entitles you to a certain amount of service in the building? You are not only complaining about the amount of rent, but you are willing to pay a fair rent if they give you service?

Mrs. McGUINNESS. Yes, sir; if we got the right service; yes, sir. And I don't think we get good service.

Mr. KELLER. And you are not getting your money's worth?

Mrs. McGUINNESS. No, sir.

Mr. HAMMER. My understanding is that the water in a good many of those apartments is not sufficient to flush the closets and the bathroom. Do you know anything about that?

Mrs. McGUINNESS. Sometimes it is that way. It is like that in our apartment once in a while.

#### STATEMENT OF MR. J. N. HALPER, ATTORNEY, WASHINGTON, D. C.

(Mr. Halper was duly sworn as a witness by Mr. Reed.)

Mr. REED. You are not in the Government service?

Mr. HALPER. I am an attorney representing a number of tenants and have represented tenants in the past. I want to cite a number of cases where tenants have been evicted under circumstances where the landlord made application to get possession of the premises.

Mr. HAMMER. About how much time do you think you will occupy?

Mr. HALPER. Five minutes. I just want to cite a few cases. Under that section of the act where the landlord comes in and states he is a bona fide owner of the premises. The gentleman that sat there wanted to know how the landlord could get possession and how they were to determine whether he was occupying in good faith. The first case I can cite is where a landlord stated he wanted the premises and stated he was occupying in good faith. The tenant came to me and I filed a petition to the Rent Commission, asking the commission to pass upon the sufficiency of that notice. Before the notice expired, or, rather, before the case came up for hearing, this tenant came to me and said he thought the landlord was not acting in good faith and he would not



go in there. Two or three months ago the house was up for sale and had not been occupied by this landlord. I can cite names, of course. That is one case.

Another case that I want to cite is where a tenant came to me and stated that his landlord had served notice on him, stating that he was the bona fide owner, etc. Unfortunately, this man came to me after the landlord had obtained judgment for possession of the premises and the marshal had served him the notice to quit. He showed me a clipping from the paper where this landlord had advertised the apartment for rent, that being the apartment that the landlord claimed he had wanted for his own use. The marshal ousted this man—rather, evicted him—and it was a rainy day; his wife was very ill, and I saw it myself, that that man's furniture was put out on the street because that landlord had stated that he wanted the premises for his own use but never had occupied them.

The third case I know of is where a tenant came to me under similar circumstances, and he told me the other day that the apartment that the landlord had stated he wanted for his own use was still unoccupied, and yet he had been forced to move.

Those are cases of a nature wherein it was asked how can the landlord obtain possession and how can they test his good faith. That is why it is necessary for those men to go to a commission and give the tenants a sufficient and complete notice so that the tenant can investigate and find out whether he is acting in good faith.

Mr. MILLSPAUGH. I was out of the room. Give me your name and business.

Mr. HALPER. J. N. Halper, attorney at law.

Mr. MILLSPAUGH. You are an attorney?

Mr. HALPER. Yes.

Mr. MILLSPAUGH. That is, men come to you and pay you to represent them?

Mr. HALPER. They do.

Mr. HAMMER. Is that a crime?

Mr. HALPER. No. I am not ashamed of it. I stand up for anything I have done in my profession, and you can ask me any question about it.

Mr. MILLSPAUGH. The Rent Commission is your opportunity to make your bread and butter. It is a means of employment for you.

Mr. HALPER. It is a means of employment.

Mr. MILLSPAUGH. It furnishes work for attorneys.

Mr. HALPER. Certainly, it does so, as do the courts. I do not happen to have much business with it.

Another case I want to cite is where a landlord had served notice upon five colored tenants in an alley, and he stated that he wanted the premises for his own use, or, at least, that was the intimation.

Mr. REED. Was the landlord a colored man?

Mr. HALPER. No, sir; his name was Robert Lee. He was very stately looking and very dignified; and one of these tenants came to me—and, by the way, the notice read like this: "You are hereby notified to quit these premises at the expiration of the 30 days," etc., and the second paragraph stated, "If you wish to pay \$15 instead of \$12, you may stay." Every one of those tenants paid. Some paid upon receipt of the notice; others paid when this landlord went into the municipal court and sued them for possession. One tenant came to me, and when I appeared in municipal court I stood upon this defense, that the matter was before the Rent Commission, and that saved that tenant. The others paid increased rent, and have paid or they would have been ousted. I can cite any number of cases, and simply want to cite the cases for the benefit of this gentleman here who was very anxious to know how that act operated.

Mr. KELLER. You do not know of any case where a man would not get possession of his property because of the act if he was in good faith?

Mr. HALPER. Where he can not?

Mr. KELLER. Yes. Do you know of any case where a man could not get his own property for his own use if he was in good faith?

Mr. HALPER. If he was in good faith, a bona fide owner by making a proper showing could get it. That has been my experience, because I have represented tenants where the landlords attempted to get possession and did get possession, but I did not represent the landlord in that case.

Mr. MILLSPAUGH. What fee does the tenant generally pay?

Mr. HALPER. From the class of tenants that I represent I get \$5 or \$10, or nothing. I have represented many of them without pay. I did not get a cent from this tenant that was ousted. His case was a very bad case, and when that case afterwards came to the Rent Commission, when the tenant was ousted,

the chairman of the Rent Commission took a special interest in that case by providing an attorney in the proceeding to oust the tenant. After he had possession, the landlord in that special case had filed an answer to the petition of the tenant. In other words, he submitted himself to the jurisdiction of the commission, and then he turned around and went down to the municipal court, and because he had no attorney and the court is crowded and had no time to listen to the tenants, and very many of the tenants will not get up and speak in defense of their rights, they entered judgment for this landlord, and this man was ousted, even though the Rent Commission was there to protect and would have protected him.

I merely want to cite these cases to show that it is absolutely necessary. I mean to say, in view of the cases that I have cited that if this bill is not extended there will be not only wholesale evictions but an increased rental in every case where they can possibly be effected. I know the reason there has not been more cases like the ones that I have cited is because the Rent Commission has stood there with its moral effect and has prevented those landlords, but only the more aggressive landlords would take the chances in the court to evict the tenant in cases like those I cited, and if there was no rent law to protect them the landlords would simply follow that law without mercy.

I want to say further that in the majority of the cases that I have been before the commission I have been successful because I have represented tenants mainly and I represented tenants in cases where landlords desired possession, and I want to say as far as I have seen, the administration of the Rent Commission has been beyond reproach, and I think that they have acted just as fairly and squarely for both sides.

Mr. REED. It has been rumored that there is a large blacklist for most of these apartment-house tenants who have gone to the Rent Commission and have refused to accede to the landlord's demand for increased rent, and all such renters are blacklisted, to be turned out as soon as the rent law expires. Do you think the conditions in the city are such now that these landlords can at once find tenants for those thousands of vacant apartments that they will create in that way if this law fails?

Mr. HALPER. You assume if this rent law expires other property will be built?

Mr. REED. No. If it expires and these people will be thrown out all over the city, are there people waiting to take their places in these apartments?

Mr. HALPER. I should say so.

Mr. REED. Are there?

Mr. HALPER. Yes.

Mr. MILLSAUGH. Do you think apartment house owners are going to leave apartments vacant by throwing tenants out?

Mr. HALPER. Why do you ask that question? I do not get the connection.

Mr. MILLSAUGH. That is what I want to know.

Mr. HALPER. Vacant? They never will.

Mr. KELLER. The chances are if that act is not extended they will increase the rent to what they think they ought to have, and if you do not like it, get out; if you do not want to pay, get out. That is very plain.

Mr. HALPER. It was said here that the rent law was the means of preventing the building of other houses. I think you will agree with me as an economic fact that for 20 years past and all over the country or wherever there has been an increase of rent or the value of the property on account of some unusual condition, such as the late war, the landlords have had no desire to build further property, so as to keep the property that was then in existence and keep the values of it high.

Mr. MILLSAUGH. I do not.

Mr. HALPER. I know that to be the fact. The law of supply and demand does not exist to-day. What you can get out of a man is the economic law in renting property.

Mr. KELLER. In your opinion, during the war, when it was hard to get material, and so forth, that might have been some excuse, but do you believe that was combined in some way or other with an agreement not to build any more houses? Do you believe that?

Mr. HALPER. I think that is the general tendency.

Mr. SPROUL. That is not right.

Mr. HALPER. I do not know of an agreement, but that condition existed.

Mr. SPROUL. Congress declared they were not essential, to supply materials for building houses.

## 134 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

Mr. HALPER. There was plenty of material and plenty of men as well to build houses. But they wanted to keep up the value of the present property, to maintain its high value and its high rental value.

Mr. SPROUL. Do you not know it is a fact that during the war the Government claimed these apartment houses and buildings were not essential, that they were put on war work, and for two years there was practically no apartment buildings or houses built, not only in Washington but throughout the whole United States. That was a fact. That is what has created this shortage at the present time.

Mr. HALPER. I say an unusual condition has caused property to rise and that is one of the conditions of the war.

Mr. KELLER. Because of the unusual conditions the men here took advantage of it.

Mr. HALPER. They have taken advantage of it.

Mr. KELLER. And we have to have this law to protect the people.

Mr. HALPER. That is why we have to have this law, because of these unusual conditions.

Mr. MILLSAUGH. I do not want to question the gentleman. He is making a good bread-and-butter talk. If I were an attorney I would stand for the Rent Commission, too.

Mr. HAMMER. I do not think every man who comes before the committee ought to have his motives impugned.

Mr. MILLSAUGH. I am not impugning him.

Mr. HAMMER. The law recognizes the profession and everybody in the profession is not gulled by mercenary motives.

Mr. MILLSAUGH. If I were an attorney I would be for the Rent Commission.

Mr. HAMMER. I would not be for it because I was an attorney. That is equivalent to saying this man's mind and opinion and testimony is influenced by pelf, and it is not correct.

Mr. HALPER. I want to say, Mr. Millsaugh, that is a very small part of my practice. In fact, these gentlemen who sit on that commission will tell you I have not been there very many times. Most of them have been in the municipal court in landlord and tenant proceedings, and all the landlord and tenant cases I have had have been a very small proportion of my practice. You think that I have an ulterior motive in coming here?

Mr. MILLSAUGH. No.

Mr. HALPER. You think so, although you will not say it. I will say anything I feel like saying.

Mr. MILLSAUGH. So will I.

Mr. HALPER. Then say it.

Mr. REED. We will hear the next witness, the Rev. F. G. Griffith.

### STATEMENT OF REV. F. G. GRIFFITH, WASHINGTON, D. C.

(Mr. Griffith was duly sworn by Mr. Reed.)

Mr. GRIFFITH. I am a minister of the Gospel, of the Methodist denomination.

Mr. REED. Proceed.

Mr. HAMMER. Are you a regular minister?

Mr. GRIFFITH. Of the Methodist denomination. My profession is that of a minister.

Mr. REED. Proceed.

Mr. GRIFFITH. I wish to say that in a meeting of this kind, gentlemen, I am handicapped.

Mr. REED. You are not in the Government service?

Mr. GRIFFITH. No, sir; I am not.

I just wish to say, gentlemen, that in a meeting of this kind I am handicapped by reason of my defects of sight and hearing. I had prepared a brief address closing with a very practical illustration, but I will not trespass upon your time and patience. I just wish to say that since sitting here and hearing what I have heard I am less inclined to speak than when I came. I have not gotten a large part of what was said. My good wife has repeated it somewhat. I wish to notice, however, an expression that reached me a while ago as coming from our honorable friend and Congressman, Mr. Millsaugh. Probably it was said in pleasantry, nevertheless it came home to us. If I am not misquoting Mr. Millsaugh, addressing this professor who was on the

floor, he said: "I am surprised that a man of your intelligence would favor the Rent Commission."

I wish to inform this audience and Mr. Millspaugh in particular that there are others of us here who have a moderate degree of intelligence, who indorse most fully the Rent Commission and give our unqualified indorsement to the members of this Rent Commission, and I believe that even as we registered before the District board, the Board of District Commissioners, a two-thirds vote, a majority in favor of the Rent Commission, and the continuance of the present membership of the Rent Commission, so we could register here to-day, if it were generally known and all interested could be in attendance, a two-thirds majority and a two-thirds intelligence in favor of the Rent Commission, and in favor of the present personnel and membership of this board. Before that commission, before the District board, I asserted my confidence in this Rent Commission as being fair, impartial, thoroughly competent, and adequate, with very limited facilities to the work in hand, and I am frank to say that not until recently, gentlemen, have I heard their fairness, their impartiality called into question. I have heard their commendation almost on every hand and not until one—an expert from Boston, Mr. Brigham, by name, I believe—did I hear the insinuation of incompetence advanced against this Rent Commission. One statement I recall in a letter that he published, in which he declared that this board was incompetent, "not an expert on it like me," and we are to be congratulated—this board is to be congratulated—in my judgment, gentlemen, on this high compliment paid them. We believe they are fair and competent and we believe further that your honorable committee of the House of Representatives will concur in the action of the Senate and in the voice and wish of two-thirds of the people of this District, and we believe that with increased powers, with the proper facilities, with the indorsement of the Congress of the United States, and the indorsement of the people of this city, among them the highest and the best, that this Rent Commission will prove to be a moral benefit as it has already proved itself to be in unearthing that which existed prior to the passage of this act, and the creation of this commission, the impression that this commission and this act are responsible for the congestion and the trouble now obtaining is incorrect. It existed prior to that, and it is simply being unearthed and it has proved a check to the reaction of the war, and the reaction also to the sale of whisky in this city—as a great moral issue, and is an absolute necessity. I thank you, gentlemen.

Mr. MILLSPAUGH. May I ask you a question?

Mr. GRIFFITH. Just one question, please.

Mr. MILLSPAUGH. You stated that two-thirds of the people here are in favor of the Ball Rent Act and that was the reason you think it should be passed; is that right?

Mr. GRIFFITH. That is my conviction.

Mr. MILLSPAUGH. If two-thirds of the people of Washington want the saloons back, would you think they ought to have them?

Mr. GRIFFITH. Sir?

Mr. MILLSPAUGH. I do not blame you for saying "Sir."

Mr. GRIFFITH. You see, Congressman, I am handicapped in this, and I am very glad I am for once.

Mr. MILLSPAUGH. If two-thirds of the people—I do not blame you for being glad—if two-thirds of the people in Washington wanted the saloons, do you think they ought to have them?

Mr. GRIFFITH. Two-thirds?

Mr. MILLSPAUGH. Yes.

Mr. GRIFFITH. I do not believe two-thirds of the people want them.

Mr. MILLSPAUGH. They do in Washington.

Mr. GRIFFITH. I do not believe two-thirds of them want the saloons.

Mr. MILLSPAUGH. I ask you a question, because having been a Methodist for over a quarter of a century and my forebears all being Methodists, and having entertained Methodist preachers in my forebears' home and my home and watched them eat yellow-legged chicken, I respect the cloth.

Mr. GRIFFITH. They are very fond of chicken.

Mr. MILLSPAUGH. They are that.

Mr. GRIFFITH. I wish to state that two-thirds of the people want that which is good and right. If two-thirds of the people want that which is evil, it would be your prerogative and your mission to override it, and so we hope it will be your prerogative and your mission and your purpose to grant the will of

## 136 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

the two-thirds of the people of this District and many back in the States. We believe, sir, you will. I beg pardon for referring to your remark.

Mr. MILLSPAUGH. That is all right; that is fine.

Mr. GRIFFITH. But we must answer that. We believe we are in the majority. I thank you.

### STATEMENT OF MR. JOHN H. ADRIAANS, WASHINGTON, D. C.

(Mr. Adriaans was duly sworn by Mr. Reed.)

Mr. REED. Proceed.

Mr. ADRIAANS. Mr. Chairman and gentlemen of the committee, I want to say at the outset—

Mr. SPROUL (interposing). I would like to ask the gentlemen whom he represents?

Mr. ADRIAANS. I do not represent anybody. I am an attorney.

Mr. SPROUL. Are you a tenant?

Mr. ADRIAANS. Yes, sir. I want to say at the outset that this entire legislation from start to finish is unconstitutional and void, because it is in conflict with Article I, section 10, clause 1 of the Constitution, which provides that no State shall pass any law impairing the obligations of contracts. The only thing that saves this kind of legislation from being in conflict with this provision of the Constitution is that during the period of emergency, such as war, laws are silent and the Supreme Court of the United States has said that in a decision sustaining the Rent Commission act. I am going to refer you to the most recent decision of the United States Supreme Court, both in the recent New York act and also the Ball Act, and that is reported in fiftieth volume, Washington Law Reporter, page 244. I want to quote one part of it here especially, because it says "that it is for the purpose of dealing with the public emergency."

Now, Congress as the legislative body of this District is judge of whether or not an emergency exists that would justify this type of legislation which is ordinarily outside of the Constitution and in direct conflict with the Constitution, because when a tenant makes a contract with a landlord it is presumed that the landlord is competent to make a contract; it is presumed that the tenant is competent to make a contract; it is presumed that both of them are sound mentally, and that neither of them is weak-minded, that neither of them needs any guardian appointed for them to supervise their rental relations, and it is upon that theory that the Constitution of the United States has provided that no law shall be passed by any State impairing the obligations of a contract.

Now, Mr. Chairman, I contend that if a State can not do it, that the United States can not do it. It is true that the language is limited to the words "no State," but I think some of you gentlemen in Congress might very properly, very appropriately, introduce an amendment to the Constitution, so that the same inhibition will apply to the United States as it applies to the State. This case that I have just read, the New York case, was a case where the State undertook to do this identical thing and the question there was not as between the State and the United States, but the question there was as to whether or not an emergency existed that took the case out of this constitutional question.

Mr. HAMMER. Do you think it is not constitutional under the police power of the Constitution?

Mr. ADRIAANS. No, sir. I say that the police power only operates upon emergency, public emergency, and that is what the Supreme Court says.

Mr. HAMMER. What is an emergency?

Mr. ADRIAANS. An emergency is something that effects the public at large. It does not go into private relations.

Mr. HAMMER. Is not there an emergency existing here, a very stringent emergency?

Mr. ADRIAANS. I say there is not at the present time an emergency here that calls for the continuance and perpetuation of this legislation. I say that emergency has passed.

Mr. HAMMER. The Supreme Court says—

Mr. ADRIAANS (interposing). The Supreme Court has said that at the time this was passed the emergency existed. They stated at the time Congress passed the legislation the emergency existed, and they only reconciled the validity of the legislation with the Constitution because the Congress as the legislative body of the country found an emergency existed. Now, the question for you

gentlemen to determine and for the Congress of the United States to determine is. Does this emergency still continue that existed at the time that this legislation was first adopted?

Mr. HAMMER. How can you reconcile your argument with these facts: That 73 per cent of the people of Washington live in rented buildings? Rents of houses—house rent is the only thing that has advanced this year. The average of rents in the United States is the only thing that has advanced in price this year. That is what the Commerce Department tells us.

Mr. ADRIAANS. That has nothing whatever to do with this.

Mr. HAMMER. Does it not create an emergency?

Mr. ADRIAANS. That has nothing whatever to do with the Constitutional provision that no State shall pass any law impairing the obligations of the contract. Now, if you are my landlord and I am your tenant, you are supposed to be sound minded.

Mr. HAMMER. Yes.

Mr. ADRIAANS. I am supposed to be sound minded. You are not supposed to need a guardian. I am not supposed to need a guardian. If we are both sound minded, we do not have to go to this Rent Commission to have it determine whether the kind of contract that you and I made is such that it should not be interfered with as we constructed it. That is my view of the matter. I say that any person that can not make a contract which is sound is fit to go over to St. Elizabeths. The law presumes that persons who make a contract and are capable of contracting are able to do so without the supervision of a governmental body.

Having passed that point, and I hope successfully, I want to call your attention to the case of Dartmouth College v. Woodward, which is an opinion by Chief Justice John Marshall reported in 4 Wheaton 518, where this exact doctrine, which is so fundamental, so basic in its nature that it is one of the standard cases, and any lawyer that does not know something about the Dartmouth College case does not know much about anything. That Dartmouth College case has been followed from time immemorial, and it is based upon this identical provision of the Constitution that no law shall be passed by any State impairing the obligations of a contract.

I want to call your attention, when this matter was before the Senate I went to see Senator Pomerene about this matter.

Mr. HAMMER. What did you say?

Mr. ADRIAANS. I went to see Senator Pomerene about this matter of changing the appellate jurisdiction from judgments of the Rent Commission from the court of appeals to the Supreme Court of the District. The Senator was very kind, very clever, and we went over the subject together, and he asked me to write him a letter reviewing the subject. I have here this letter, which I will read and put in the record.

Mr. SPROUL. What does the letter refer to?

Mr. ADRIAANS. Let me read it?

Mr. SPROUL. Mr. Chairman, I do not think the committee is interested in that at the present time. I am perfectly willing to let the Supreme Court decide that or any other court. I am not an attorney and do not know anything about this. I object to going any further with this testimony.

Mr. REED. He is discussing the constitutionality of the act.

Mr. SPROUL. Absolutely. If he has got anything to tell us about tenants, let him proceed.

Mr. ADRIAANS. I am through with that. I will read now a provision in this bill which is now before the committee, transferring appellate jurisdiction from the court of appeals to the supreme court of the District, which you will find in section 108 of the bill, S. 2919, so that I am not now discussing the constitutionality.

Mr. SPROUL. All right; discuss the bill and we will listen to it.

Mr. ADRIAANS. This is a letter that I wrote to Senator Pomerene under date of March 4, 1922.

Mr. REED. It may be put in the record. Hand it to the stenographer after you have read it to us.

(The letter referred to is as follows:)

WASHINGTON, D. C., March 4, 1922.

HON. ATLEE POMERENE,  
United States Senator.

DEAR SIR: Pursuant to your suggestion that I should outline my reasons for believing that the provision in the bill (S. 2919) for continuing the life of the

## 138 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

Rental Commission, giving appellate jurisdiction to the supreme court of the District of Columbia to review its judgments is unwise. I beg to submit as follows:

First. The acts relative to the court of appeals, District of Columbia (February 9, 1893; July 30, 1894; June 3, 1896; March 2, 1897; March 19, 1906; March 3, 1911; July 28, 1916; July 18, 1917; October 22, 1919, title 2, sec. 108; March 4, 1921, sec. 4), contemplate abolition of the appellate jurisdiction of the supreme court, District of Columbia, and transfer thereof to the court of appeals.

Second. The act of March 3, 1921, enlarging the jurisdiction of the municipal court, was a movement in the same direction.

Third. The supreme court of the District of Columbia has complained to Congress of the congestion of its business, wherefrom it seeks relief and whereunto additions are undesirable (see H. R. 6957 and hearing thereon; H. R. 138 and H. R. 139; S. 2195; S. 1584; S. 1585; H. R. 8892).

Fourth. The different branches of the supreme court, District of Columbia—equity, circuit, bankruptcy, probate, criminal, condemnation—are presided over by shifting justices, whose decisions are not published ordinarily, and would thereafter be fluctuating and changeable. If the Supreme Court of the United States refused to grant a certiorari, as frequently happens, no stability in reviewed judgments of the Rental Commission could occur. The appellate function of the general term was abolished by the act creating the court of appeals.

Very respectfully yours,

J. H. ADRIAANS.

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UNITED STATES SENATE.  
COMMITTEE ON INTERSTATE COMMERCE,  
March 7, 1922.

MY DEAR SIR: I thank you for your favor of the 4th instant, in re S. 2919, subject Rental Commission, and I am obliged to you for your suggestions, which will be carefully considered.

Very sincerely,

ATLEE POMERENE.

Mr. J. H. ADRIAANS,  
131 Indiana Avenue NW., Washington, D. C.

Mr. SPOUL. May I ask the gentleman a question? That is in the Senate hearings, is it not?

Mr. ADRIAANS. No, sir.

Mr. CHAPIN BROWN. Yes.

Mr. ADRIAANS. I have not seen it there.

Mr. HAMMER. That letter is in the Senate hearings.

Mr. ADRIAANS. I sent this letter personally to Senator Pomerene at his request.

Mr. REED. Proceed.

Mr. ADRIAANS. In that connection I want to tell you that some of the decisions of the Rent Commission have been reviewed in the courts, one case of Block v. Hirsh (41 Supreme Court Reporter, pp. 458, 460, decided April 18, 1921), and on page 460 the United States Supreme Court says: "It was a temporary measure induced by the emergency." So it was upon that theory of an emergency that they sustained that act. Other decisions of the Rent Commission have been reviewed in Forty-eighth Washington Law Reporter, page 65, page 378, page 387, and page 721, and in the forty-ninth volume of the Washington Law Reporter at page 242, page 545, and page 625, and in the thirtieth volume of the Law Reporter, pages 50, 53, 161, and 162. I would say that three-fourths of the decisions of the Rent Commission when they have been reviewed have been reversed.

Mr. HAMMER. By the court of appeals or by the Supreme Court of the United States?

Mr. ADRIAANS. The only reason why the Supreme Court of the United States sustained it was because it was a temporary measure. It was an emergency measure. That is the reason why they sustained it. They recognized, if you read the decision, as I have done, that general doctrine.

Mr. HAMMER. I read it as soon as it came out.

Mr. ADRIAANS. In addition to what I have stated, I want to say this: There are now pending before Congress and in this committee H. R. 138 and 139. Those are two bills introduced by Representative Andrews of Nebraska, and they ask for two additional judges in the Court of Appeals of the District, and

an additional judge in the Supreme Court of the District. Then there is H. R. 6957 on which there was a hearing, and then the Supreme Court of the District appeared before the Judiciary Committee, and they testified that there was such a congestion of business in that court—such that they sought additional assistance, and they wanted two additional judges. I will ask this committee to read that report.

Mr. HAMMER. I have read it.

Mr. ADRIAANS. On H. R. 6957. Recently, Senator Phipps, of Colorado, has introduced S. 3462, adding two new judges to the Court of Appeals of the District of Columbia.

Now, it is a fact that when the Supreme Court of the District, when the appellate jurisdiction of the Supreme Court of the District, in general term, was abolished, it was by the substitution of a court of appeals, and the very object of the creating of a court of appeals was that the appellate jurisdiction of the Supreme Court of the District might be abolished, and the whole trend of congressional legislation since that time has been to let all appeals from the tribunals in the District of Columbia go to the court of appeals, and why? Because it is a permanent body. The court in general term of the Supreme Court of the District is a shifting body, constantly new. There are not the same three judges at any time, and, moreover, they have no reporter; you would have to provide for a reporter to report their decisions. At the present time the Supreme Court of the District in general term only attends to purely administrative matters. They assign judges and pass rules providing for the procedure in the court, but they have no appellate jurisdiction at all. If this bill goes back and re-establishes the same system that existed, it is going a step backward instead of a step forward, and in that same connection I want to call attention that in the same section this bill provides that the Supreme Court of the District shall have no injunctive power over the Rent Commission.

Mr. HAMMER. I do not think they ought to have.

Mr. ADRIAANS. I am going to read it to you: "and said court is hereby divested of any and all power and jurisdiction to issue any such injunction."

That is page 11 of S. 2919. So that by this legislation you are practically recasting the jurisdiction of the Supreme Court of the District of Columbia; and I think in view of that fact that it would be only proper for this committee to invite the judges of the Supreme Court of the District to appear before this committee and let them present the conditions that exist in that court, and let also the members of the court of appeals appear before this committee as representatives of the bar association. In that way this committee can do absolute justice. At the present time the members of the bar association, as I understood, have not favored the idea of transferring the appellate jurisdiction from the court of appeals to the Supreme Court of the District. They are on record in the opposite direction. It is only right and fair that the president of the legislative committee of the bar association be permitted to appear before this committee to show good cause, as they have, why this provision in the law should not be enacted.

Mr. HAMMER. Are you a landowner?

Mr. ADRIAANS. No, sir.

Mr. HAMMER. You do not own any apartment houses?

Mr. ADRIAANS. No, sir.

Mr. HAMMER. You are a lawyer?

Mr. ADRIAANS. Yes, sir.

Mr. HAMMER. Do you represent landowners?

Mr. ADRIAANS. Do not represent anybody.

Mr. HAMMER. You are not practicing now?

Mr. ADRIAANS. I am practicing in the United States Supreme Court when I get cases there.

Mr. HAMMER. Mr. Guy Mason, formerly a member of the commission, can not be here to-morrow, and if any members of the committee want to question him, if the committee will designate a time for him to come he will answer questions. Does Mr. Brown, the attorney, want to appear to-morrow?

Mr. BROWN. I do not want to appear unless the committee wants information.

Mr. REED. Do you want to hear from the attorney of the commission?

Mr. SPROUL. Yes; we ought to.

(Thereupon, at 5.15 o'clock p. m., the committee adjourned to meet again Wednesday, May 3, 1922.)





# **AMENDING THE FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT**

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## **HEARINGS**

BEFORE THE

*U. S. Congress, House*

**COMMITTEE ON THE DISTRICT OF COLUMBIA**

**HOUSE OF REPRESENTATIVES**

**SIXTY-SEVENTH CONGRESS**

**SECOND SESSION**

**ON**

### **S. 2919**

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**MAY 3, 4, AND 6, 1922**

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### **PART 2**



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AMENDING THE FOOD CONTROL AND DISTRICT OF COLUMBIA  
RENTS ACT.

COMMITTEE ON THE DISTRICT OF COLUMBIA,  
HOUSE OF REPRESENTATIVES,  
Wednesday, May 3, 1922.

The committee met at 10 o'clock a. m., Hon. Stuart F. Reed presiding.

Mr. REED. We had a general understanding yesterday as to some people who were to be heard to-day, among them Mr. Brown, who is attorney for the Rent Commission. Some members want to ask him questions, and he has a statement that he desires to make.

Mr. MILLSPAUGH. I want to say that I want Mr. Gude to appear. I am not particular about having him to appear this morning, but I want him to appear.

Mr. REED. I think that can be arranged. We will now hear Mr. Brown.

**TESTIMONY OF MR. CHAPIN BROWN, ATTORNEY FOR THE RENT  
COMMISSION.**

Mr. BROWN. Mr. Chairman and gentlemen, I am attorney to the Rent Commission, and I am a sworn officer of the Government. I want to make this statement as brief as I can and at the same time give all the information that is in my power that will enlighten the committee on the reasons why this bill was drawn as it was. It seems that, while an attack has been made upon the personnel of the Rent Commission here in the hearing before the House committee, the principal attack that was made in the Senate was made against the attorney for the Rent Commission. I want to call the attention of the committee to the language of one of the opponents of the bill in the Senate, in the principal speech that was made by Senator Poindexter, which was directed against the attorney for the Rent Commission. Mr. Poindexter in his speech, which was revised by him from the 14th to the 17th of April, the bill having been passed on the 14th and he having asked the privilege of revising his speech, the speech appearing in the Record of April 17, page 6144, says:

"It [referring to the commission] became more hungry and desirous of Government pap and nutriment, so we provided an additional office. Some lawyer, who I suppose could not make \$2,500 a year in private practice, was to be appointed at a salary of \$5,000 a year, and now that lawyer, having been put upon the Government pay roll at \$5,000 a year, finds that the term of the act is about to expire, so he draws up another bill to extend the life of the law, under which he holds his said position, for another period of two years.

"This lawyer has written a strange provision into the bill which he has drawn to continue the authority under which he holds his position, that even after the act has expired, when the period of its extension shall come to an end, the commissioners 'may' to use the language of the bill, employ him to continue in charge of the litigation which grows out of the transactions of the commission during the period of its life. Of course, it is simply a provision for perpetuating in office the attorney who has drawn up this bill, apparently without any regard and, I assume, without any fundamental knowledge of those inalienable and inestimable privileges of personal liberty and private citizenship which give a man control of the earnings of his labor, of his own property, so long as he does not use it to the injury of his neighbor. The bill provides a means by which all this shall be sacrificed, but that for two more years he shall hold this office, and that even after the two years have expired he 'may'—which means he 'shall'—be retained to represent the commission at \$5,000 'per.' That is one of the reasons why this bill is brought here at this time."

Now, Senator Poindexter, after incidentally referring to the same matter and to the same person during the course of his speech—and I do not want to prolong the extract, but want to refer to that which is pertinent—at the close of his speech pays another compliment to the attorney, on page 6150, as follows:

"Yes; there is only one handle to it.

"Now, I think I have come to the real divine spark out of which this flame of enthusiasm for the alleged benefit of the 'dear people' has originated. I refer to paragraph D, on page 20, which reads:

"The Attorney General may, after the termination of this act"—after its termination—appoint the attorney last appointed by the commission under the provisions of section 103 to assist in the enforcement of this act. Such attorney shall continue to receive compensation for such services at the rate of \$5,000 per annum, payable monthly."

"Under that provision in the bill, very carefully inserted by the gentleman who evidently wrote it, even after the law has expired and had its obsequies, his office shall continue to live. He is astute, at least, in looking out for his own interests."

I want to explain that that was said in the Senate when I was not present, except for the purpose of consulting with Senators who were interested pro or con on the subject of this bill, and, of course, I had no chance to explain the matter. I think I should have that privilege now. This insertion in the bill, which is at the last part of the bill, is the exact language used in the extension that was passed about nine or ten months ago. At that time I had no connection with the Rent Commission, and I had no idea that the provision was in the bill until I came up here one day when I was interested in the welfare of the tenants.

I had no conception, and the members of the commission, I might say with assurance, had no conception that I was to be appointed as attorney under that provision. When they asked me to accept the position, I was rather surprised that they had asked me, and I know that this statement will be verified by every member of the commission. I declined the appointment at that time.

MR. MILLSPAUGH. When was that, Mr. Brown?

MR. BROWN. Shortly after the amendment was passed to this bill, about nine months ago. It was about the time that it was passed. I will not take the time to hunt that up, but I will get it before I get through. It was when the last extension was passed.

MR. MILLSPAUGH. You do not want to give the impression that Senator Poindexter changed that speech from the way he delivered it on the floor of the Senate, do you?

MR. BROWN. No, sir; not at all.

MR. MILLSPAUGH. I did not think so.

MR. BROWN. I understand the thing well and can speak very plainly of the fact that he has made very serious accusations, as a layman would look at it, against the chief justice of the court of appeals, a justice of the Supreme Court of the United States, and Senators on the floor of the Senate. Consequently I can see very good reasons why he should want to revise that speech so as to insure that it was exactly as he had written it or delivered it.

MR. MILLSPAUGH. That is what I want to know. You said that he revised it, and I wanted to ask you if it was printed just as it was delivered on the floor, in your opinion?

MR. BROWN. I think it was practically the same thing. I think he revised it with a very laudable idea—that is, he wanted to be careful not to say anything in the heat of debate that he should not have said. I know that what he said about Senator Walsh and Senator Pomerene was resented by them, and I can understand that he would be very careful. At any rate, he did ask to revise, and he had that opportunity for three days after the speech had been delivered. This amendment was passed on August 24, 1921, and several days after that I was asked if I would accept the position of attorney. I was surprised when they did it, and I said no. A few days after that I was called up by Mr. Gude, who asked if I would accept the appointment. He said that they did not know of anybody else whom they felt was so well acquainted with the law or who understood it so well. To that I said, "Well, let it go."

MR. MILLSPAUGH. When was that?

MR. BROWN. That was a few days after I had been first asked by Mr. Sinclair if I would accept the position.

MR. MILLSPAUGH. You said that while this bill was being considered last August, I believe, or the amendment—

MR. BROWN (interposing). It was passed on August 24, 1921.

MR. MILLSPAUGH. You were not an applicant for the position at any time prior to the passage of the bill?

MR. BROWN. I was never an applicant for the position. That provision is exactly the same here. The provision creating the office of attorney, which is the provision referred to, is worded the same way in this act passed August 24, 1921. I will read section D, as follows:

"The Attorney General may, after the termination of this act, appoint the attorney last appointed by the commission under the provisions of section 103 to assist in the enforcement of this act. Such attorney shall continue to receive compensation for such services at the rate of \$5,000 per annum, payable monthly."

I can say without any fear of successful contradiction that I had nothing to do with that, and had no idea that it was to be put in there.

Mr. HAMMER. I think the committee is fully satisfied that you had no connection with the matter.

Mr. SPROUL. I want to ask if you did not draw the bill and present it to the committee?

Mr. BROWN. I drew the bill, word for word, and dotted every "i" and crossed every "t" as it passed the Senate. That was done in view of the fact that it was absolutely necessary to continue the litigation that must necessarily arise, and the bill would be nugatory in that regard without that provision in it. I think everybody will concede that.

Mr. MILLSAUGH. What provision is that?

Mr. BROWN. The provision that the Attorney General may appoint an attorney after the expiration of the law. There are now, or have been, in the court of appeals not less than 50 cases. Incidentally, I want to say in response to the suggestion that I should represent landlords as well as tenants, that while this hearing has been going on, yesterday and the day before, they have been hearing a case in which I filed a brief on behalf of the landlord, because the determination of the commission was in favor of the landlord. That decision will probably be made on the first Monday in the month. While this hearing was going on, there was a case in which I filed a brief in behalf of a landlord. Wherever the finding of the commission has been in favor of the landlord, I have done that.

Mr. SPROUL. Is it not your duty to look after both sides, one as much as the other?

Mr. BROWN. Yes, sir.

Mr. SPROUL. You are the attorney to advise the commission, and are not the attorney of the parties to any of the cases?

Mr. BROWN. Yes, sir; that is right.

Mr. HAMMER. Therefore you should be, and no doubt are, impartial in the administration of the duties of the office.

Mr. BROWN. Yes, sir. In that connection I want to say that if my sympathies and prejudices could be aroused at all, they would be with the landlords. I am a landlord myself. I am not a landlord to any great extent, but the property I own I have owned for 30 years. As long as that subject has been brought up, I want to say that I have tried to act as fairly as I could and in accordance with the law enacted by Congress. I have one piece of property that was rented for \$37.50 per month, and I had an offer of \$8,500. The man who occupied the property came to me very much worried and said, "Mr. Brown, I am afraid that I can not get a place to go with my children." He offered to pay me \$75 per month for the property, or for a lease of a year. I told him that after the end of the year, or after the war had gone on for a year, the property had so increased in value and that the taxes and expenses had become so great that he ought to pay further rent. I told him that I would make this arrangement with him, that he could continue there just as if he had a lease.

Mr. SPROUL. At \$75 per month?

Mr. BROWN. He offered to give that. That was Frank Butts, living on Mount Pleasant Street.

Mr. SPROUL. He was to pay you \$75 per month?

Mr. BROWN. He offered to pay that.

Mr. SPROUL. That was a good raise.

Mr. BROWN. He offered that himself, and there was no solicitation on my part. There was no Salisbury resolution at that time. The Salisbury resolution would have protected it, but I have never mentioned it to him.

Mr. MILLSAUGH. You still own that property?

Mr. BROWN. No, sir; he paid \$8,500 for it about a year and a half afterwards.

Mr. MILLSAUGH. What was your idea in selling it?

Mr. BROWN. He wanted it. He had lived there six years, and he wanted it.

Mr. MILLSAUGH. Are you a landlord now?

Mr. BROWN. Yes, sir; I am. I have another piece of property in the same neighborhood that cost me over \$10,000. I got \$45 per month for it. Those parties will testify over the telephone now, if you want them to. That party has been willing to give me twice that amount, and the property is worth \$150 per month rent to-day, but I never raised it to the extent of a postage stamp. I have put improvements on the property.

Mr. MILLSAUGH. The tenant is still paying \$45 per month for it?

Mr. BROWN. Yes, sir. I have another piece of property on Grant Street, that was rented for \$15 per month. I have never raised 1 cent on that. I do not pretend to be any more moral than anybody else, but I appreciate the fact that when this law was passed, it was the law of the country, and it told me that I could not raise this rent. I have never attempted to do it. I will say furthermore that I was a strong advocate of this law, and I have tried as many, if not twice as many, of those

cases in the courts as anyone else. I have stood by the law, and, necessarily, I have stood by the tenants. I have brought hundreds of cases. In those cases mentioned here yesterday, or the Nansemond cases, I tried probably 150 cases against those people. I will say that I tried 100 ejectment cases against those people.

Mr. HAMMER. Against whom?

Mr. BROWN. Against the tenants in the building. That is the Nansemond Apartment House at 2140 N Street. The landlord in that case brought suit after suit after the Court of Appeals had declared the act unconstitutional. I fought it on technicalities, and I charged the tenants the most reasonable fees they could expect. They combined, so that the fight of one was almost the fight of another. I fought those cases, and when I could, beat them on technicalities. The court sustained the technicalities, because they knew or feared that if the Germans came into the port of New York, a law was necessary.

They knew that a law was necessary, and where I could I beat them on technicalities. I had one bonding company that went on every bond at my say so, without regard to the financial standing of the tenants. I appealed every one of those cases to the Supreme Court of the District of Columbia, and when I was overruled there I appealed them to the court of appeals. I kept them in that status. I appealed them to the Supreme Court of the United States even when I was denied the writ. I appealed them to the Supreme Court of the United States. Then the constitutionality of the act was sustained, and, of course, the bonds were released; but they were compelled in all those cases to pay for the bonds, either \$50 or \$25. They were compelled to pay the court costs. I would have been morally responsible for all the penalties on those bonds if they had been sustained, but when the court sustained the law of course they had to throw up their hands, and they had to admit judgment for costs. That is the position I have taken in reference to this law. I do not say that I am any more moral than anybody else, but while I was sustaining that law I was not going to be vulnerable to attack by landlords as a profiteer. I will say that that had a good deal of influence on me in not raising rents. What I have said in that regard can be verified by the tenants, who can be reached by telephone.

Mr. MILLSAUGH. In approximately how many cases have you appeared for landlords before the Rent Commission?

Mr. BROWN. I suppose in not more than half a dozen or a dozen.

Mr. MILLSAUGH. They have been very scarce.

Mr. BROWN. They have been, because they did not happen to come to me. That is all. I happened to be brought into the fight on the side of the tenants. They recognized that I was for the law. That simply meant that I was for the law. That is all.

Mr. MILLSAUGH. Do you not recognize this as a tenants' bill?

Mr. BROWN. I recognize it as a tenants' bill. The bill itself shows on its face that it is a tenants' bill.

Mr. MILLSAUGH. You drew this law?

Mr. BROWN. I did not draw the law, except the one that passed the Senate, and that was one that was mostly made up of quotations from the old law. Where there was only a slight amendment, the whole paragraph was included in the bill as it was passed by the Senate, because Senator Pomerene said that that was the practice in Ohio, and it was so much easier to revise a whole section than it was to try to interject an amendment between two words. Consequently, while I plead guilty to preparing this law, it is practically the same law that was enacted before, with some salutary amendments that were suggested by the committee, and by those who appeared before the committee.

Mr. MILLSAUGH. What I wanted to ask you in regard to that, inasmuch as you drew the law, and since you admit that it is a tenant's bill, is this: Have you read the recommendations of the commissioners as to the changes that should be made in the bill?

Mr. BROWN. I have read them all.

Mr. MILLSAUGH. What do you think of them?

Mr. BROWN. I think exactly as Mrs. Taylor testified yesterday. If you want to read them over, and will ask me about them, I will express my opinion upon each one.

Mr. MILLSAUGH. Mrs. Taylor expressed her opinion.

Mr. BROWN. Her view and mine are about the same.

Mr. MILLSAUGH. As a matter of fact, do not the minds of the commissioners and the attorney, and all of those drawing salaries under this law, run in about the same channel? In other words, are not the commissioners, attorneys, and all the people drawing salaries for the bill as it stands?

Mr. BROWN. I would not say that, and I do not think it is fair to say it. You can have my position to-morrow, and anybody can have it.

Mr. HAMMER. Is not your time fully taken up with the duties of your position as attorney to the commission?

Mr. BROWN. I want to say that the duties of my office demand my time and attention constantly. I am occupied with litigation in the municipal court, in the court of appeals, and before the Rent Commission. Everybody seems to think that I am attorney for everybody that happens to have litigation in reference to rent, or in all landlord and tenant litigation.

Mr. HAMMER. You give advice to all persons, landlords as well as tenants?

Mr. BROWN. If the tenants come, I give them advice, and I have given advice to at least a dozen or twenty landlords.

Mr. HAMMER. Is it as much your duty to advise one as the other?

Mr. BROWN. It is. It is just as much my duty before anything has been done by the Rent Commission, but after they have made a finding or determination, it becomes my duty to defend that finding or determination. If it is in favor of the landlord, I must fight for the landlord, and if it is in favor of the tenant, I must fight for the tenant.

Mr. HAMMER. As I understand it, you advise the commission in reference to the law, and, in addition to that, you give advice to people who inquire what the law is, whether they be landlords or tenants?

Mr. BROWN. Yes, sir. Then, in all important matters, they ask me to come up and be present at the hearings. That was true in the Meridian Mansions case. I was present every day at that hearing. I have been present during the hearing of many other cases. For instance, I am supposed to be present at the hearing of the Monmouth Hotel case. That is a rehearing of the case, the case having been sent back by the court of appeals for a rehearing. I am supposed to be there, but I considered it more important, or more my duty, to appear before this committee of Congress than to be present at that hearing.

Mr. HAMMER. There are some features of this law that I do not understand, probably, as well as I might. There are some things in the bill, as passed by the Senate, that I think should be changed, and as one member of the committee I would be glad if you would explain the provisions of this bill and tell us what your judgment is about the changes made on the floor of the Senate. I not only have a good opinion of your ability, but I think that you are the right kind of man for the position you hold.

Mr. BROWN. I thank you. Mr. Millsbaugh, you asked me a question, and I was trying to answer it.

Mr. MILLSBAUGH. I do not remember what it was.

Mr. BROWN. It may not have been so important, then. Mr. Hammer spoke to me about the question of whether business property was in the bill or not, or in the original bill, and I will say on that question that as the bill was drawn business property was included, and that was done after careful consideration by the Senate committee. There was offered in the record yesterday an appeal from the Retail Business Men's Association. That appeal was sent to the committee by the Retail Business Men's Association, or what is called the Merchants and Manufacturers' Association (Inc.), and it was given careful consideration. That appeal was signed by R. P. Andrews, the largest paper dealer south of New York; it was signed by Louis Levy, a very good merchant here; by George E. Hebbard; by George P. Killian, the agent of the American Ice Co. here; and by Franklin W. Harper, a paper dealer. It was moved to strike out business property, and I will say that I drew the amendment that Senator Jones offered. They struck it out, but I will say, further, that I do not think it was the vote of the Senate. The Senate voted, but nobody spoke affirmatively or negatively that I could hear. I think that if a vote had been called for, they would have put it back, just as they did when they tried to strike out the appeal to the Supreme Court of the District of Columbia. Nobody voted one way or the other until somebody called for a division, and then there was a rising vote, and it was defeated. That was offered by Senator Walsh, and I believe, from my observation, that that would have been done in this case.

Mr. HAMMER. They frequently do that in both Houses.

Mr. BROWN. I am not censuring it. Here is what Senator Pomerene said in reference to business property, on page 6023 of the record of April 14, 1922:

"In one case the present rate is \$150, and it is proposed to be increased to \$300; in another case it is \$125, to be increased to \$250; another \$200, to be increased to \$300; in another case \$150, to be increased to \$325; another case \$150, to be increased to \$400; then follows five different places where the rentals are given as \$75, which are to be increased to \$250 each; then one of \$140, present rent, to be increased to \$500; one of \$85, to be increased to \$350; another one of \$150, to be increased to \$300."

That was read from letters that had been sent to the committee, and had been considered by the committee. Senator Pomerene had the documents there with him.



Mr. ZIHLMAN. You do not think it is a necessary or proper part of this bill?

Mr. BROWN. No, sir.

Mr. HAMMER. Do you not think that if the law continues in force for two years there will not be much litigation before the Rent Commission?

Mr. BROWN. I surely do.

Mr. HAMMER. The effect of extending the law will be to deter landlords from attempting to raise rents or from making them too high?

Mr. BROWN. They say that great minds run in the same channel, but here is an instance where one great mind and one small mind run in the same channel. I think that the moral effect of continuing this law for two years will prevent 25 per cent of the litigation. I say that for this reason, that when it was continued for six months everybody was waiting for the law to terminate. I am glad to give my opinion on that. They were waiting for the law to terminate. I am giving that opinion from my experience as an attorney for litigants appearing before the commission and the courts in cases involving this law. I think you would have the same condition that existed in reference to rental property before. If you continue it for only six months, they would wait. They could afford to wait six months if they could make increases of 100 per cent, 200 per cent, or 300 per cent. Therefore, the only safe thing to do is to continue it for two years. Then the people will observe the law. The permanency of the law will make them observe it. I believe that a provision under which they must fight in court will deter them. I believe that will have a deterrent effect upon litigants. I believe that the facts that I am now preparing 300 suits against profiteers—and I use that term advisedly—will have a deterrent effect. They are people who have charged excessive rents or rents over the determination of the commission. I really believe that the fact that they know that they will be prosecuted will have a deterrent effect. That is being done in those 300 cases.

I am preparing those cases, and it takes two or three hours to get the facts in each case. I believe that the fact that they will be prosecuted will have a deterrent effect. I have 300 cases in which they have ignored the Rent Commission and the law of the land. We gave them the opportunity 30 days after that amendment was passed to come down and adjust those rents and pay over the excess. That amendment provides that if they come down within one month after the approval of the bill, they can pay the tenants the excess. After that they must pay double, and then \$50 attorney's fees and the cost of the case. I think that, although they did ignore the commission and the law, in the interest of the tenants as well as of themselves, some discretion should be given to the commission by an amendment to this bill. I think some discretion should be given the commission in cases where there is hardship on the landlord, as, for instance, where the landlord has sold the property and did not know about it. I think that they are in law presumed to know, as Mr. Sinclair stated, but where they did not know that the rent was raised there should be an amendment giving the commission and the attorney for the commission the right to adjust the case.

Mr. MILLSPAUGH. Why did you not offer that or provide for it in the bill?

Mr. BROWN. That will come in section 112, if you want to make it effective. They could avoid that by selling to some straw person, and then say that the rent should continue notwithstanding the change. Here was a law passed by Congress, and they know about it all over the country. All the landlords ought to have known about it, because they are supposed to know what the law is. There is a record that they could go to and find out about it. It is just the same as the case of a man who buys a piece of property and finds \$1,000 of taxes due upon it. The doctrine of caveat emptor, or purchaser beware, applies there. As a matter of fact, you can not tell whether they did know about it; you can not prove that they did know about it, and I really believe that there should be some discretion in the commissioners, because we have many cases where they say, "I will admit that I am liable for it, and if you will allow me to pay this tenant, I will pay him, but if you are going to sue me in court, I will fight it."

Mr. MILLSPAUGH. As a matter of fact, you always refer to landlords as men.

Mr. BROWN. I hope they are all gentlemen.

Mr. MILLSPAUGH. What about the poor widow who has invested every cent her husband left, or the life savings of the family, in an apartment house or in any rental property? Suppose she goes and buys a piece of property?

Mr. BROWN. I will draw that amendment—

Mr. MILLSPAUGH (interposing). Why not write it now?

Mr. BROWN. I could not do everything at once, and I knew that it was coming before the House.

Mr. HAMMER. I suppose the gentleman felt—

Mr. MILLSPAUGH (interposing). Will you let me finish with the witness? He does not need any of your prompting. The witness is amply able to take care of himself.

Mr. HAMMER. Mr. Chairman, these outbursts and this continual questioning of the integrity and good faith of witnesses are extremely distasteful to me.

Mr. ZIHLMAN. Mr. Chairman, I would like to offer a motion that each member of the committee be afforded an opportunity to submit questions to the witnesses that are germane to the proposition before the committee. It seems to me that that would be in the interest of orderly procedure, and there is no reason why two or three members should endeavor to interrogate a witness at the same time. I am trying to get some information about section 17 of the bill.

Mr. REED. That matter of procedure has been so long established among intelligent people that it does not require a motion. I think that the courtesy that members of the committee vouchsafe for one another should insure the observance of that procedure without the necessity of having a drastic rule.

Mr. BROWN. I will answer that question further. I will first ask, if you think I am an honest man?

Mr. MILLSPAUGH. I do.

Mr. BROWN. With that preface, you will take this as a complete answer. When the bill was in the Senate, I knew the sentiment of many Members of the Senate on the proposition of appointing an attorney, or on the proposition of paying a fee of \$50 to the attorney. That was one of the arguments for putting an attorney in. It was not necessary to do that. It was absolutely necessary to have an attorney, but I knew that sentiment. You can not load a bill down with too many amendments. I am a faithful believer in this law, and I wanted to see it passed by the Senate. I did not want to load it down with too many amendments, but I intended to ask the House when the bill came over here to put that amendment on.

Mr. MILLSPAUGH. I think the commission, if it is to be a commission, should have an attorney upon it.

Mr. BROWN. We have always had it that way.

Mr. MILLSPAUGH. I want to ask you why it was that the Senate happened to take business property out.

Mr. BROWN. They have taken business property out because they felt as I did about it. They wanted the bill to go through. While the Senate committee was in favor of including business property, all the Members were not in favor of it, nor were all members of the Senate committee, although there was no strong opposition either way. However, after business property was taken out, the Senators who were in favor of taking it out voted for the bill.

Mr. ZIHLMAN. You really never have regulated any business rents, have you?

Mr. BROWN. I would not say that, because this commission was functioning two or three years before I was the attorney.

Mr. ZIHLMAN. But you have no knowledge of any such cases?

Mr. BROWN. No, sir.

Mr. ZIHLMAN. You have no knowledge of any cases where they fixed hotel rates?

Mr. BROWN. No, sir; they have not fixed any hotel rates.

Mr. ZIHLMAN. This section 17 provides—

"That the proprietor, manager, owner, or other person in charge of and conducting any hotel in the District of Columbia shall post in a conspicuous place in each room thereof a card or sign plainly stating the price per day of such room, and a copy of such rate for each room shall be filed with the Rent Commission of the District of Columbia."

That is very plain, and then follows this provision:

"In case the hotel is conducted on the American plan, the rates for meals shall be posted in a conspicuous place in each room of the hotel."

Is that practicable?

Mr. BROWN. Not at all, and I will tell you how that amendment was made. Senator Caraway had a bill that he had introduced, but had not been able to pass, and he thought that this was a good opportunity to have it enacted. His bill provided that the rates should be filed with the Commissioners of the District of Columbia, but you will see that the words used here are "with the Rent Commission of the District of Columbia." Originally it provided that the rates should be filed with the Commissioners of the District of Columbia, but it was so crude that after they reported it they told Senator Caraway to amend it. They told him to amend it after it was reported. They consulted again and amended it to read in this way.

Mr. ZIHLMAN. This section provides that the Commissioners of the District of Columbia "are hereby charged with the enforcement of this act." That is contradictory to the rest of the section?

Mr. BROWN. Yes, sir; that is contradictory.

150 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

Mr. ZIHLMAN. You do not think that this section has a proper place in this bill?

Mr. BROWN. I think it should be a separate bill, to be administered by the Commissioners of the District of Columbia.

Mr. HAMMER. Do you not think it a wise thing or a proper thing to provide that hotels shall post in each room the price of meals?

Mr. BROWN. I surely do. I am in favor of that, but we are talking about whether it should encumber this kind of act.

Mr. MILLSAUGH. You are in favor of that feature?

Mr. BROWN. I think that in the interest of the people living here and of Members of Congress, when you have an inauguration or any other great event in Washington, you must keep people from profiteering. Under this you would have notice 30 days ahead of what they proposed to charge.

Mr. REED. Does this provision, as it is worded here, give the Rent Commission authority to change those rates or to regulate them?

Mr. BROWN. No, sir; it authorizes neither. It provides that the rates shall not be advanced in less than 30 days from the date of the approval by the commissioners. It really does not give any power there.

Mr. MILLSAUGH. You would favor the elimination of that section?

Mr. BROWN. I favor the elimination of that section. I think it is not germane to this bill.

Mr. REED. What effect would it have, as it stands? Would not the hotel post such rates as it desired?

Mr. BROWN. I will now suggest a matter of real importance to the bill, and I want to have my brothers here representing the press to know that what I say before this committee is privileged, but what may be published in the papers may not be privileged. That is in reference to the provision for appeals that has been inserted in this bill, changing the appeal from the Court of Appeals of the District of Columbia to the Supreme Court of the District of Columbia. That is an important feature of the bill.

Mr. KELLER. It shortens the machinery.

Mr. BROWN. I want to explain why that has been done. I have practiced law here for a long time.

Right here, when we had only about one-tenth of the number of cases that are tried now, away back in the early seventies; and we then had an appeal from an individual judge holding a court in the Supreme Court of the District of Columbia to the court in banc of the Supreme Court of the District of Columbia. And we found that they used to swap off opinions. Now, I am not saying that as a criticism of the court, because if I had been there I would have thought it was all right whether it was or not. But we found that there was no permanency to those decisions, and we were surprised sometimes with a contrary opinion—

Mr. MILLSAUGH (interposing). Is that the court of appeals that you are speaking of?

Mr. BROWN. No; the Supreme Court of the District of Columbia. And then we came to Congress and asked to have a court of appeals created; and we asked that they write their opinions, which they had not done previously when we had an opinion of the Supreme Court of the District of Columbia; and consequently we could not use those opinions that were not written as a precedent; and consequently we could not tell how the law was decided.

Now, at first, the court of appeals was not crowded with work. But the court of appeals of the District to-day is as much crowded, and I think more crowded, than any court of appeals in the United States.

I have appeared before committees of Congress, and I have been before the Senate Committee on the Judiciary in this matter, and they say, "Let the court of appeals do more work." But the court of appeals can not do any more work than they are doing now; and they are really nine months behind. You take a case up there for trial, and you will be lucky if you get it tried in nine months, unless you appeal early in the fall.

Mr. MILLSAUGH. Well, the Rent Commission is in the same condition in its work, is it not?

Mr. BROWN. Please do not divert me from the point by questions. But I will answer that question. You take the Monmouth Hotel case, that is being heard now by the Rent Commission. That was up for 11 months in the court of appeals; they had three hearings, and finally it was sent back to the Rent Commission.

But at any rate, the court of appeals is crowded, and they admit that; and I think they would welcome the revision that is proposed here. I have no doubt they would. When we wanted to relieve the Supreme Court of the District of Columbia of the trial of law cases we came here, and Congress created the Municipal Court of the District of Columbia, and gave them jurisdiction up to \$1,000 in law cases of all kinds; they have no jurisdiction in criminal cases.

We had a provision inserted that any party could appeal to the Court of Appeals of the District of Columbia. It passed the House in that way, after thorough discussion. When it came to the Senate the Senate committee had hearings, and I was called to appear before them. I happened to be at that time general counsel of the chamber of commerce—and I want to say that they are mostly landlords and I am with the landlords there. As counsel of the chamber of commerce and knowing about the matter in that way, I was authorized by the board of directors to go up there and try to get that bill passed; the members of the chamber, who are mostly merchants, were more interested in it than anybody else. And I was called up before the Senate committee, together with Chief Justice Smyth and Justice Van Orsdel; and Chief Justice Smyth convinced the committee and convinced me that if Congress should allow those appeals to go direct from the municipal court to the court of appeals the court of appeals would be so overcrowded with business that they could not attend to business which was of much more importance—matters relating to Government affairs. And so we entered into a gentlemen's agreement that we would try to have the bill changed so that any member of the court of appeals could allow the appeals, and if he did not allow it it would not go to the court. And that is the law to-day, and the result has been that there has not been one-tenth of the number of appeals that there would have been otherwise; and only about 35 or 40 per cent of the appeals that have been applied for have been allowed.

Now, that is the condition; and I want to say that the court of appeals, if they are going to do their duty under the present law, can not afford to have any work of this kind thrust upon them—work like that in the Monmouth case.

I have here a copy of my brief in the Monmouth cases. It took me two weeks to prepare it; that was just after I was appointed, and then it took the court of appeals 11 months, during which three hearings were held, before they could decide it.

And it is for that reason that I am in favor of that change, knowing that the court of appeals has to deliver written opinions and that it is very much overcrowded with work.

Mr. MILLSPAUGH. How far behind is the Supreme Court of the District of Columbia?

Mr. BROWN. I will answer that question, although I do not want to interrupt the continuity of my argument on this subject.

It was the view of the Senate committee, after consideration of this matter, that they should be allowed to appeal to the Supreme Court of the District of Columbia. The Supreme Court always did have appellate jurisdiction before the Court of Appeals was created. As the bill reads now, you can appeal from the decision of the Rent Commission to the Supreme Court of the District of Columbia, and they must hear these cases before other classes of cases. There are six justices of the supreme court; and the bill provides that the chief justice, or the acting chief justice, with two others, may hear these appeals. And these appeals can be heard in the summer time, when the court of appeals is having its summer vacation and there is no member of that court here to draw from, whereas some of the members of the supreme court of the District are here all summer; and it is always easy to get Justice Hoehling, who lives at Chevy Chase—and they all would be near the city. And it was for the sole purpose of facilitating action that the appeal was provided to the supreme court of the District. I have talked with Chief Justice McCoy, of the District supreme court, and it is understood that we can hear these cases in that court upon the original record; that we can take the papers right up there.

Mr. HAMMER. My understanding is that the Supreme Court of the District of Columbia is not an appellate court?

Mr. BROWN. It is not an appellate court now.

Mr. HAMMER. And therefore the machinery would not work as well in that court as in the court of appeals?

Mr. BROWN. It would work much better, in my opinion.

Mr. HAMMER. But they would have to change and revise their procedure, would they not?

Mr. BROWN. No; they would only have to bring in two other judges—

Mr. HAMMER (interposing). Well, are they constituted as an appellate court?

Mr. BROWN. They always used to be, before the court of appeals was created. That was our appellate court then.

Mr. HAMMER. Well, since then, has it been an appellate court? It is usually a trial court; in most of the States the supreme court is the highest court of appellate jurisdiction.

Mr. BROWN. But that would be the only way by which we could get a summary proceeding; and when the landlord wants an appeal he ought to be able to get it in 30 days.

Mr. HAMMER. That is your purpose in suggesting this change, to expedite the procedure?

Mr. BROWN. That is the purpose, to expedite the procedure.

In the Senate, Senator Walsh moved to strike out that provision, and the Senate, understanding the provision, and hearing the amendment ready to strike out that portion, by a rising vote sustained the provision. And I was surprised that they sustained it.

Mr. MILLSAUGH. The supreme court of the District is two years behind, is it not?

Mr. BROWN. No.

Mr. MILLSAUGH. How much is the supreme court behind?

Mr. BROWN. When the summer recess comes on it will not be three months behind; and Chief Justice McCoy will tell you so.

Mr. MILLSAUGH. It will require three judges to hear these appeals?

Mr. BROWN. It will require three judges; but we have six judges in the supreme court. And if you extend this for two years, they are not going to appeal every case—with an attorney to fight them.

Mr. MILLSAUGH. In view of the testimony to the effect that the court of appeals was not in sympathy with the Rent Commission; and in view of the fact that the Rent Commission understands that two of the judges of the court of appeals are not in sympathy with this law, did that not have a great deal to do with the drafting of this amendment placing these appeals with the supreme court instead of the court of appeals?

Mr. BROWN. I deny that.

Mr. MILLSAUGH. You heard the commissioner testify to that yesterday, did you not?

Mr. BROWN. I never heard any such thing. And I want to say that the court of appeals is in sympathy with this law. They had a difference of opinion with the Supreme Court of the United States on the question of the constitutionality of the act; but the court of appeals is composed of as honest men as you could pick anywhere in the world.

Mr. MILLSAUGH. I think so.

Mr. BROWN. And their sympathies do not govern their decisions at all; their decisions are decisions of the law.

Mr. MILLSAUGH. Yes.

Mr. BROWN. And based upon their best judgment; and nobody can say that they are not in sympathy with this law. They only want the law settled by the Supreme Court of the United States; and they are as implicitly bound by that and will carry out such decisions just the same as any other court.

Mr. MILLSAUGH. All right. Does not the Rent Commission resent some of the decisions of the court of appeals?

Mr. BROWN. Not any more than saying that it does not correspond with their opinion. They are carrying out the decision in the Monmouth case letter for letter.

Mr. MILLSAUGH. Has the court of appeals ever sustained the Rent Commission?

Mr. BROWN. Yes; several times.

Mr. MILLSAUGH. When?

Mr. BROWN. On the 3d of April, in four cases.

Mr. MILLSAUGH. The court of appeals did?

Mr. BROWN. Yes; they sustained them in the Monmouth case; they sustained the commission when they fined the proprietor \$100; in the same appeal that went up as to the Monmouth Hotel, they sustained the commission; and I think in four or five cases decided on the 3d of April they sustained the Rent Commission—either that, or they sustained this law.

Mr. MILLSAUGH. Well, why was Mr. Sinclair so reticent about having the record of the court of appeals go in the hearings then?

Mr. BROWN. Well, I am reticent now. I will say this, however, that the ground of difference—

Mr. HAMMER (interposing). I did not understand Mr. Sinclair to object to that, if you put in the brief.

Mr. MILLSAUGH. He did object to it.

Mr. HAMMER. To that part of it going in alone.

Mr. KELLER. He wanted it all in or none.

Mr. BROWN. There is one other provision in that section that I want to discuss. And this is a delicate matter; but it is my duty as an officer of the Government, and as the attorney for the Rent Commission, to state what our opinion is, regardless of whether it offends any of the judges of the courts or not; and this is a matter where my judgment differed entirely.

That same section, section 9 of the bill, provides that the Supreme Court of the District of Columbia shall issue no injunction against the enforcement of the determination of the Rent Commission. Notwithstanding that—

Mr. HAMMER (interposing). Why do you object to that power of injunction?

Mr. BROWN. I am going to tell you.

Mr. HAMMER. All right.

Mr. BROWN. In four cases in which my brother Mr. Linkins is interested—

Mr. LINKINS (interposing). Six.

Mr. BROWN. In six cases in which my brother Linkins is interested—and I want to be very careful about this going into the record unless it goes in in full; and I do not really believe it ought to go in at all. I think it ought to be privileged matter, and not published; but if it goes in, all right; I am trying to do my duty.

In four cases—to which I will refer at first instead of six—including and referring to two apartment houses, one the Wood and the other the Ward; they were built by Mr. Woodward, who is well known here as the proprietor of the Boston House; and so he named one by one part of his name "Wood," and the other another part, "Ward"; at least, I think so.

Those were bought by Mr. Linkins. His father was appointed the rental agent.

Now, Mr. Linkins—and they are pretty close friends of mine and his brother is associated with me in nearly all the cases I have—but Mr. Linkins, the son, having bought them and having appointed his father the rental agent, and they having always had offices together ever since these boys had grown up, so that they could attend to business together and make lots of money—having had offices together, and not only that, but being in the same room, they attempted to settle the rents of the Wood and the Ward apartment houses, the commission did.

They notified Mr. Linkins, sr., the father, who was sitting not very far distant from the son, who was the owner of the equity; I will not say the owner of the fee, because the fee was in the mortgagee. The commission notified him, and they came before the commission and they settled the rents.

When they started to enforce those rents, the son who owned the equity in the apartment houses went down to the equity court and said to the court, in substance, "Why, the law provides that the parties in interest under this section"—I am reading from section 106—

"In all such cases the commission shall give notice personally, or by registered mail, and afford an opportunity to be heard to all parties in interest."

"I never was notified," he said, "by the commission, and, consequently, the commission never had any jurisdiction." So the court of equity issued an injunction against the enforcement of that determination of the commission.

I argued that case on the motion for a preliminary injunction quite fully. And the section says notice "to all parties in interest." And he said, "I was the owner."

In section 101 of this law it says that the term "owner" includes the lessor or the sublessor. There is no question that Mr. Linkins, sr., was the lessor there; and he was the only one that the tenants had any contract with. And the law says, "or other person entitled to receive the rent or charges for the use or occupancy of any hotel, property, or apartment, or any interest therein, or his agent."

Now, here the facts showed that the lessor was served with notice, the father, who happened to have the same office with the owner; and yet, on the principle that you must not let your right hand know what your left hand is doing, the son was not supposed to know what was being done there.

Mr. HAMMER. Permit me to ask you this question: Have you considered the constitutionality of the provision denying the right of injunction in cases of that kind?

Mr. BROWN. Well, I have considered it. You have denied it in labor cases.

Mr. HAMMER. I asked you if you had considered that?

Mr. BROWN. Yes; I have. The courts have sustained the provision about injunctions in labor cases. And I want you to bear that in mind, because there can not be any question with me about it.

Mr. HAMMER. On the particular case that you refer to, I am advised that the Supreme Court of the United States reversed that decision a week or so ago.

Mr. BROWN. I do not think so. I think Mr. Chief Justice Taft delivered an opinion in another kind of a labor case recently; but I do not think that decision has been overruled.

Mr. HAMMER. I am only asking for information.

Mr. BROWN. I think that was a dissenting opinion to which you refer. But in this case there is the further reason that the Supreme Court of the District of Columbia is not a constitutional court.

Mr. HAMMER. I know. If it was a constitutional court, there would be no question that the power could not be denied, but has it not the power even though it is not a constitutional court?

Mr. BROWN. Not unless they get their jurisdiction from Congress. It is a statutory court.

Mr. HAMMER. That is true.

Mr. BROWN. And they can not have any more jurisdiction than you give them. You can abolish the Court of Appeals to-morrow, and you could not abolish a United States constitutional court; but they have only such jurisdiction as you give them. It is just like when Congress clothes the municipal court with jurisdiction up to \$1,000; that being a statutory court, Congress had the right to give it or take it away. And then under the provision giving Congress the power of exclusive legislation over the District, Congress has another source of power. But there can not be any doubt that the Supreme Court of the District has not any jurisdiction except such as you give them; they can not assume any jurisdiction. And when the court was created—not this one, but the old circuit court—Congress gave it such jurisdiction as was in force in Maryland in 1801. Now, of course, they have general equity jurisdiction, but that was only by reason of an act of Congress.

And that is the case also with the court of appeals; they have not any further jurisdiction than you give them. Therefore, so far as that goes, I say there can not be any question of the constitutionality of such a provision, and they would not attempt to enforce such injunctions under it.

And those injunctions that I referred to are in force now.

And although the law provides that where landlords receive these excess rents over the amounts fixed by the commission, I should bring this suit, and they are liable to pay double the amount of the excess, my hands are tied and they can tie them in all of these cases and in that way nullify the law.

I want to say that I think every judge on the Supreme Court of the District of Columbia is honest; just as I said the members of the court of appeals are honest; and I think they acted in good faith when they took that view of it.

Furthermore, there was no necessity for it. If this is a summary proceeding, you ought not to be hampered in that way. Congress knows what it wants.

And under the act of April, 1920, there is given to these people who have been sued by the Rent Commission the right to make the same defense in law as they could in equity; that is, it gives them the right to equitable defenses in law. So every time they are sued they can say, "I was not notified as required under this law, and, consequently, the Rent Commission had no jurisdiction," and could claim that the decision was not binding on them.

Mr. MILLSPAUGH. Do they not have to give a bond?

Mr. BROWN. Yes; they have to give a bond.

Mr. MILLSPAUGH. Then, it is effective in the end?

Mr. BROWN. Yes; they have to give a bond; and in one case they said, "You shall pay according to existing leases;" and the lease had expired three months before the law was passed, and they came to me and I said to them, "That bond will not protect you," and I told them why. The court issued a rule to show cause why the party should not be put in prison for not obeying the order; and then when it appeared that there was no lease, and that the party was a tenant at sufferance, the court amended the order so that the tenant should be required to pay the rent fixed previous to the order.

Now, acting on that decision of the equity court as to notice to the owner, I have defended at least 50 cases where the judge holding equity court has held that the Rent Commission did not have any jurisdiction; that John Doe was the owner, and that he had not been notified.

I will give you a typical case. Two Army officers, Colonel Mitchell and Major Howard, were involved. They were tenants of the Prince Carl apartment house, at 1801 K Street. When the old commission went out, they were sued for the old rent. I went down to court, and I said, "The law says the 'owner'"; and I bluffed them on that; I said "the law says 'the owner,' and not 'the lessor.'". And then they brought suit in the name of the owner, but under the lease made by the lessor with these two Army officers. The testimony was put in and the case was fully argued; and I claimed that the law meant what it said, and that the landlord was the owner under that language. The case was tried before Judge Terrell in the municipal court; and after careful consideration the judge said that, no matter what view the other court might take, his view was that they had no right. And after they were defeated in those trials in the municipal court, about a week ago the landlords filed a bill for an injunction in the Supreme Court in these cases, asking the equity court to enjoin the enforcement of the decision. And that case is pending now; I have not yet answered the bill,

which is 15 or 20 pages long. That is the way they proceed. And I say they can make proper defenses before the Rent Commission; they had a full hearing there.

Then there was another case, where Miss Tebbett, a school-teacher, getting \$140 a month, was sued under the decision to which I have referred. Of course, we have great respect for the decision of the Supreme Court of the District of Columbia. And the landlords thought they would terrorize the tenants. In that case, this Miss Tebbett was scared; you have no idea how much these tenants are scared by these court proceedings; they are scared to death when they go in the municipal court, and they often do not present their rights for that reason. I have had lots of those cases where the tenants have had the determination of the Rent Commission, and yet did not present it in court. That fact ought to be taken into consideration. In this case, the school-teacher said, "I do not like to go into court; I am scared; and I will put the excess money up in your hands; I would rather do that than go into court."

Well, we went down there and had a hearing; and it was before one of the most honest judges there was. I told the judge that she was willing to do that; and immediately the attorney on the other side said, "All right, we will do that."

The school-teacher went away; and, of course, that was the determination of the court, that they had agreed to that.

A few days afterwards the school-teacher came to me and said, "I have not got the money, and I can not spare it now. I do not know when the case is going to be decided. And I can not put that money up and let it stay there; and if I put that money up I will not have enough to live on." And so she refused to put it up.

Then they gave her notice to come into court again. I went down to court; and the judge said, "Well, that was a determination of the court, and I am going to hold her to it." And when she said she would put up the money she was honest about it; she thought she could do it, but she could not. And so the judge entered judgment for her dispossession. And I said to her, "Now, you will have to go and get somebody else to help you, because I am really representing both sides."

And so she went out and got some very respectable attorneys; and they went down and they found out that the court, by mistake, or the clerk of the court, had only entered judgment for the excess rent, \$300 or \$400, and not for possession. And that was not in accordance with the decree of the court. And so they had the case reopened and fought it on the question of possession; and that went to the Court of Appeals and is pending there now.

But that was not all. They brought suits against all the other tenants on that decision. And then I went down as a friend of the court and read this law, from A to Izzard, to the court; and I told them, "It is a question whether you are going to obey the law of the land, or interpret it in some way in which it was never intended to be interpreted." And the judge dismissed the suit; notwithstanding that he had given judgment in this other case in that way, he dismissed all of those cases; and now they are going to take them all to the court of appeals.

(Thereupon, at 12 o'clock noon, the committee took a recess until 2 o'clock p. m.)

#### AFTER RECESS.

The committee met at 2 o'clock p. m., pursuant to the recess, Hon. Stuart F. Reed presiding.

Mr. REED. When the committee recessed, Mr. Brown was still being interrogated about some matters, and, without objection, he may take the stand.

Mr. BROWN. Mr. Chairman and gentlemen of the committee, just before the close of the morning session Mr. Hammer asked me if there had been a decision by the Supreme Court of the United States that affected the question of injunctions in labor disputes. I told him that I had read the opinion of Chief Justice Taft in such a case, but that that decision did not prevent a provision in this law prohibiting the issuing of an injunction against any determination of the Rent Commission. Since that time I have secured the opinion of Chief Justice Taft, and also the dissenting opinions of Mr. Justice Brandeis and Mr. Justice Holmes. In that case Mr. Justice Holmes, Mr. Justice Pitney, and Mr. Justice Brandeis dissented. Mr. Justice Holmes delivered a separate opinion and Mr. Justice Brandeis delivered an opinion in which Mr. Justice Pitney concurred. The decision in that case does not in any way conflict with the provisions of this law here. This is the case of *Turax et al. v. Corrigan et al.*, in error from the Supreme Court of the State of Arizona, 1921, Supreme Court of the United States. The decision was made December 19, 1921, and on page 16 of the major opinion of the court Mr. Chief Justice Taft says:

"It is urged that in holding paragraph 1464 invalid we are in effect holding invalid section 20 of the Clayton Act. Of course, we are not doing so. In the first place, the



equality clause of the fourteenth amendment does not apply to congressional but only to State action. In the second place, section 20 of the Clayton Act never has been construed or applied as the Supreme Court of Arizona has construed and applied paragraph 1464 in this case."

This was a bill of complaint asking for an injunction against certain members of labor organizations for doing certain things, some of them being the following:

"Sixth. By attacking the character of those who did patronize, saying that their mental caliber and moral fiber fell far below the American average, and inquiring of would-be patrons 'Can you patronize such a place and look the world in the face?'"

"Seventh. By threats of similar injury to the would-be patrons—by such expressions as 'Ye who enter here leave all hope behind'; 'do not be a traitor to humanity'; by offering a reward for any of the ex-members of the union caught eating in the restaurant; by saying in handbills: 'We are also aware that handbills and banners in front of a business house on Main Street give the town a bad name, but they are permanent institutions until William Truax agrees to the 8-hour day.'"

There was a demurrer to the bill, and the highest court of Arizona held that the law which prevented picketing protected labor men, and, consequently, they sustained the demurrer to the bill. The decision of the Supreme Court of the United States says:

"We conclude that the demurrer in this case should have been overruled, the defendants required to answer, and that if the evidence sustained the averments of the complaint, an injunction should issue as prayed."

You can not tell what the decision of the court would have been if they had answered and showed whether all those allegations of threats, and, really, of threats to life, were true. It was also claimed that they obstructed the entrance to the saloon or restaurant. This opinion by Chief Justice Taft reiterates the decision sustaining the Clayton Act. This opinion sustains section 20 of the Clayton Act, which practically allows labor unions to protest against the acts of their employers. I simply brought that opinion here so that if any member of the committee wants to use it, it may be available. I did not want to have it brought out that there had been any decision that would be inconsistent with the provisions of this bill as passed by the Senate.

There are one or two other matters that I want to call your attention to. It has been suggested here by several members of the committee that in the event the cases are heard or the complaints are heard by the Rent Commission, and they should lower the rents, the landlord should have the right to appeal, either to the Supreme Court of the District of Columbia sitting en banc or to the court of appeals, as they might determine, and that the tenants should be required to give bond, also, if the landlord is required to give bond on appeal. I do not think that is practicable for this reason: It is pretty hard to give bond, or for the tenant to give bond, unless he has a friend somewhere at the bar who will stand for him. I think it is a very good suggestion that there should be some protection where the landlord appeals, and I think it should be provided for in the bill. I think it could be provided in the bill that the excess rent between the amount fixed by the commission in its determination and the amount that the tenant had been paying beforehand, or the amount that was claimed by the landlord, should be put in the hands of the treasurer.

Mr. HAMMER. This law provides, as I understand it, that the price fixed by the Rent Commission on the hearing is the law until it is reversed, and that the tenant is not required to pay any more.

Mr. BROWN. Yes, sir; that is right, until it is reversed.

Mr. HAMMER. Then the proposition is, should we require them to pay any excess, or anything in addition to that amount?

Mr. BROWN. I do not know about that.

Mr. HAMMER. The law says that, and it is the fault of the law, if there is any fault in it. The law now provides that tenants shall continue to pay the rent during the pendency of the appeal. The law says that they shall pay a certain amount, and some say that they do not pay that amount. In some instances it is said that they do not pay anything, and then of course the remedy is to eject them.

Mr. BROWN. Under this bill, as passed by the Senate, when the tenant or the landlord makes a complaint, the landlord and the tenant are equally entitled to make complaint before the Rent Commission. Formerly the provision was such that the tenant could make a complaint but the landlord could not. That has been remedied by the bill before the Senate. The law now provides that when a determination is made it shall date back from the time of the complaint, so that where they have not had the machinery to function it has been sometimes two, three, four, five, or six months before the hearing. They have had to postpone the hearing of those cases. They have had to give trials in those cases. They do have a little discretion about giving trials in certain cases now. As I have said, when they make a deter-

mination it dates back from the time the complaint was filed. I want to say this, that if this law is passed providing five instead of three commissioners and allowing each one of them to hold sessions and take evidence and to then certify the substance of the evidence to the whole five for their consideration, in my opinion the commission will catch up so that there would not be more than 15 or 30 days to elapse before a determination was made in each case.

Mr. HAMMER. They do not do that now?

Mr. BROWN. No, sir. The law was deficient in that respect. They allowed individual members to take testimony, but that is all they did. It did not say that the others could act on it at all. They could not act on it, because it would have been declared to be ineffective on appeal, but this law as amended now specifically provides that each member can take testimony and certify it to the whole commission. Perhaps they would have three different sessions. There would be two with one lawyer, if they appoint two lawyers, or there would be one lawyer and one layman on one and one lawyer and one layman on another. The third one, if he happened to be a lawyer, could hear cases. Then you would have three sessions going on at once. I know that in that way they would catch up so that there would be no delay to either the landlord or the tenant.

Mr. MILLSPAUGH. That is provided for in the law now?

Mr. BROWN. Yes, sir; that is provided for in the new law.

Mr. MILLSPAUGH. Does not the bill provide that they can have five running at once?

Mr. BROWN. Yes, sir; but they will not want that. They would hold three sessions. The bill provides that they can hold separate sessions, just as in the Supreme Court of the District of Columbia. They hold separate sessions, individually. Then they could go back and consider the cases all together.

Mr. MILLSPAUGH. This does not prevent a layman member of the commission from hearing a case, does it?

Mr. BROWN. No, sir; but what I believe—

Mr. MILLSPAUGH (interposing). It is not a question of what you believe, but what is the law?

Mr. BROWN. I was saying what the purpose was.

Mr. MILLSPAUGH. Why did you not put that in the bill?

Mr. BROWN. Put what in the bill?

Mr. MILLSPAUGH. That the commission should be composed of layman and lawyers. You have already constituted the commission of three lawyers and two laymen.

Mr. BROWN. I am saying what I understand to be the arrangement. In the first place, preliminary to that, it is my opinion that you must have two or three lawyers to handle a commission of that kind. If you are to deal, for instance, with the distinguished lawyer on my front, who has been characterized as one of the most distinguished lawyers in the world, why should we not have somebody on the commission to combat any legal propositions that might come up? There must be somebody there. That is my idea, and, as I understand it, that was the idea originally. I was authorized to draw the bill providing that three of the commissioners should be lawyers.

Mr. MILLSPAUGH. Whose idea was that?

Mr. BROWN. Mine. I will father it. At any rate, it was drawn that way. I understand, too, that there was a conference with the committee, and, also, as I understand it, although I may be mistaken, with the President, the idea being that if they left it so that they would not have to be lawyers, that would not prevent him from appointing lawyers if he wanted to. That could be left to the judgment of the appointing power.

Mr. MILLSPAUGH. How many commissioners are there now?

Mr. BROWN. Three.

Mr. MILLSPAUGH. Are all three lawyers?

Mr. BROWN. No, sir; one is a lawyer.

Mr. MILLSPAUGH. There is only one lawyer now?

Mr. BROWN. One lawyer—that is all. I do believe that if that were done you would have this commission so that they could act within 15 or 30 days on any complaint made. If that is the case, and if you have this short appeal to the Supreme Court of the District of Columbia, there will not be much accumulation of rent in the time that will elapse. Then the landlord could not be hurt very much and the tenant could not be hurt very much in that way. If you did not do that, the most that should be done would be to have the tenant impound the money somewhere, either with the Rent Commission or with the treasurer of the District, or with any other body that you want to provide, so that he may pay the full amount, or the excess between the amount that is determined by the commission and what the landlord

says he ought to have. If you go further than that, I am satisfied that you will prevent the law from functioning. The determination is made for the purpose of coming within the possibilities of the tenant to pay the rent.

Mr. MILLSAUGH. Did you not state this morning that you did not think the law should be changed in that respect, but should be passed as it is?

Mr. BROWN. If I said that, I take it back.

Mr. MILLSAUGH. I say you did say it.

Mr. BROWN. If I did, then I take it back, because that has been my opinion all the time. I think when you get the transcript you will find that I have never said anything contradictory to this statement, because it has been my opinion all the time. As I testified this morning, that was my recommendation in the case, although the law did not provide for it.

Of course, that can be threshed out in detail when the bill is being drawn after the committee has had an executive session.

There is another provision of the law, and that is, that in some of these cases that I am authorized to bring, or that the Rent Commission is authorized to bring, through me, for excess rent, some of them amount to over \$1,000, and a great many of them amount to over \$500; and if you have to sue for double the amount it exceeds the jurisdiction of the municipal court, which is the only court in which you are allowed to bring those suits.

Now, there is a provision in this law that says that the jurisdiction of the municipal court is extended for that purpose, where the amount exceeds \$1,000.

I think under the present law, having given jurisdiction to the municipal court to have these cases brought there, by implication it would extend the law. But there is no use in giving the other side an opportunity to raise a legal point on that ground. And so I say that that ought to be amended, extending the jurisdiction.

There is only one other thing that I desire to say before I turn myself over to be grilled; and that is, that they have attacked this commission here; and I have known the members of this commission for a great many years—

Mr. SPROUL (interposing). I object to that, Mr. Chairman. I do not think anybody has intentionally attacked the commission. I think we are simply trying to get information about this matter.

Mr. REED. It should be understood that this committee is in no sense constituting itself a tribunal to try the Rent Commission. They do not report to us; we do not appoint them; and even granting that they may make errors, it does not go to the merits of the act we are considering.

Mr. BROWN. I did not want to say anything on that; but the public opinion is that the commission's morality, integrity, ability and fidelity, and every other virtue that they ought to have, has been attacked.

Mr. MILLSAUGH. I want to question that statement. Has there been one single question here as to the virtue or morality, or anything else, of the commission except their incompetence?

Mr. HAMMER. That is a pretty serious charge. To be called a fool is about as bad as to be called a knave.

Mr. REED. That does not affect the merits of this law.

Mr. HAMMER. I know; but this attack was made, and I believe the chairman and I said, when the attack was made by the first witness, that there never would be any end to it; and if it was permitted to go in, the commission would have to be given an opportunity to defend itself. The charge was made openly here that the commission had favored United States Senators and a justice of the Supreme Court of the District of Columbia; and the suggestion was made that it might have been done, or could have been done, for the purpose of influencing them in their ratification or approval of the reappointment of the members of the commission. That charge was made, and it was not only made by a witness, but it was intimated very broadly by one or more members of the committee. Every day for three days it has been reiterated, in questions indicating that Senator Walsh and other Senators were favored to such an extent as to outrage decency, and in such a manner that these gentlemen ought to be impeached if these intimations and charges were true.

It is true that it has been explained that the rent of Senator Walsh's apartment was not reduced, but was increased from \$105 to \$120. Yet one of the afternoon papers yesterday persisted in publishing again to the world that there was a reduction of Senator Walsh's rent, when all the proof, as everyone knows, is that the rent of his apartment was increased; but it was not increased to the schedule requested by the apartment owners.

Mr. SPROUL. Mr. Chairman, I do not think that there is a single member of the committee here that has assailed the Rent Commission. We have simply asked them straightforward questions in order that we might know how to act on this bill. They

are the ones that we are getting our chief information from. And I certainly object to this committee being assailed on those grounds. It may be that there was some evidence introduced here showing that the commission was not doing just the proper thing; but it did not come from the members of this committee.

Mr. BROWN. I want to say that I never imputed it to the members of the committee.

Mr. SPROUL. And I do not think the committee has anything to apologize for.

(A recess was taken to allow members to answer roll call of the House.)

Mr. REED. At the time we took the recess Mr. Brown was about to submit himself to interrogatories by the members of the committee.

I understand Mr. Millspaugh desires to ask some questions.

Mr. MILLSPAUGH. Before I begin to question Mr. Brown, I want to say, for the benefit of the committee, that in no sense do I consider my interrogatories as "grilling." I do not figure that I have asked an improper question of any witness on the stand; and I have at all times tried to conduct myself with perfect demeanor toward my colleagues on this committee. I have never imputed anything to one of them. And I do not propose to do so. I propose to get my information from the witnesses.

I simply want to make that statement to clear myself and to put myself in the right attitude. I think I have the right to ask these witnesses the questions I have asked; and when the committee feels that I have not, let them say so.

There is one provision of this law, Mr. Brown, that provides that a landlord who violates it, or a property owner who violates it, be it a man who owns an apartment house, or a widow who owns one house which she has rented to some tenant—if they violate this law they are subject to a penalty of a fine of \$1,000, or imprisonment, or both. No penalty whatever is put upon a tenant for any violation of the law. Is that fair?

Mr. BROWN. Well, let us turn to the law and read that provision.

Mr. MILLSPAUGH. I would like to have it read. I want to be fair, and I am going to be; but I think I can bring out the inconsistencies of this law, and the injustices.

I think that when my friend Mr. Hammer reads that section of the law, he will agree with me.

Mr. HAMMER. I have read that law, every part and parcel of it.

Mr. BROWN. Here is the provision of the law, section 116:

"Sec. 116. Any person who with intent to avoid the provisions of this title enters into any agreement or arrangement for the payment of any bonus or other consideration in connection with any lease or other contract for the use or occupancy of any rental property or apartment, or who participates in any fictitious sale or other device or arrangement the purpose of which is to grant or obtain the use or occupancy of any rental property or apartment without subjecting such use or occupancy to the provisions of this title or to the jurisdiction of the commission, shall upon conviction be punished by a fine not exceeding \$1,000, or by imprisonment for not exceeding one year, or by both."

I remember, when that provision was being drafted, that I had before me the law creating the Interstate Commerce Commission, and also the law creating the Federal Trade Commission; and it was framed with these two provisions of those laws before me. It is not class legislation. It says:

"Any person who, with intent to avoid the provisions of this title, enters into any agreement"—

Mr. HAMMER. What section is that?

Mr. BROWN. Section 116:

"For the payment of any bonus or other consideration in connection with any lease."

In my judgment, that includes any tenant, as well as the landlord, if he should enter into any such agreement. It says:

"Any person who \* \* \* enters into any agreement or arrangement"—

"Or agreements," it ought to be—

"for the payment of any bonus or other consideration in connection with any lease or other contract for the use or occupancy of any rental property or apartment, or who participates in any fictitious sale or other device."

It is not necessarily directed against the landlord.

Mr. HAMMER. One benefit of having it directed against the landlord entirely would be in order to get evidence?

Mr. BROWN. Yes.

Mr. HAMMER. For instance, a corrupt practices law is of very little value if it applies to the purchased voter; the way to protect it is by applying it to the man who buys the votes.

Mr. BROWN. Yes; that is the best provision in any election law.

Mr. MILLSPAUGH. I will ask you to turn to section 7 and read it for the benefit of the committee; it is on page 6.

Mr. BROWN. Do you want me to read all of that into the record?

Mr. MILLSPAUGH. Yes; section 7.

Mr. HAMMER. Why should he read it all?

Mr. MILLSPAUGH. I want it all in.

Mr. HAMMER. If there are any particular points you wish to bring out, he can read those parts; but it would be just increasing the record unnecessarily to read it all.

(A recess was taken to allow members to answer a roll call of the House.)

Mr. REED. Did you want to have Mr. Brown read all of the section on page 6, Mr. Millspaugh, before you asked him a question?

Mr. MILLSPAUGH. Yes.

Mr. BROWN. I want first to explain the first question further, in reference to section 116. I want to explain that that section, on page 17 of this bill, that you asked me about, is the same as the section in the original bill passed two years and a half ago, with the exception of—

Mr. MILLSPAUGH (interposing). I understand that.

Mr. BROWN. Well, I thought you wanted to give the impression that it was different.

Mr. MILLSPAUGH. Well, read the other one, on page 6.

Mr. BROWN. No; but the one you asked me about before, section 116, is the same as it has been all the time; with the exception of leaving out the word "hotel," it is exactly the same.

Mr. MILLSPAUGH. That is not the one I referred to at all.

Mr. BROWN. You referred to section 116 first, and I read it into the record.

Mr. MILLSPAUGH. I do not know that section at all.

Mr. BROWN. But you asked about it and I read it into the record.

Mr. MILLSPAUGH. But I tell you that I did not, because I did not know that section.

Mr. REED. You asked him about the \$1,000 penalty.

Mr. MILLSPAUGH. Yes; I asked him about the \$1,000 penalty; and here it is, on page 6

Mr. BROWN. Well, that is the second question that you asked me. Now, we come to the second question, and that relates to section 6; and that is practically the same as it was in the original bill—section 106 of the original act.

Mr. MILLSPAUGH. No; I am talking about section 7 of the bill, page 6.

Mr. REED. You mean the \$1,000 fine referred to on page 6, and not the other \$1,000 fine pertaining to section 116 on page 17.

Mr. BROWN. That is section 105 of the law that it amends. Section 105 is the same as the amendment, with some additions; and I will explain those additions.

Mr. MILLSPAUGH. I want you to read section 7. I want the committee to hear section 7 read.

Mr. BROWN. I will read you section 7. As the bill passed the Senate section 7 is as follows: It relates to the last paragraph of original section 105:

"SEC. 7. That the last paragraph of said section 105 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"Such attendance of witnesses and the production of such books, accounts, records, papers, and correspondence may be required from any place in the United States at any designated place of hearing. Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce such books, accounts, records, papers, or correspondence, or who shall fail or refuse to file with the commission plans and other data in such detail as the commission may require, descriptive of the rooms, accommodations, and service in connection with any apartment, required by the commission, if in his power to do so, in obedience to the subpoena, order, or lawful requirement of the commission, or who shall neglect or refuse to comply with any lawful determination or order of the commission, requiring him to furnish heat, electric current, or other service in any rental property or apartment shall be guilty of an offense, and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine of not exceeding \$1,000 or by imprisonment for not more than one year, or by both such fine and imprisonment. No officer or employee of the commission shall, unless authorized by the commission or by a court of competent jurisdiction, make public any information obtained by the commission."

I want to explain that that section was practically the same in the original law—and I call your attention to the original law—with one or two necessary additions.

Section 105 in the original law is not changed down to the second paragraph; and the second paragraph is amended to read as shown in the bill; there was a second paragraph with a penalty attached to it, but it was one that could not enforce the provisions of the law.

Mr. MILLSPAUGH. Why not?

Mr. BROWN. Because there was no way to enforce it.

Mr. MILLSPAUGH. Well, read that.

Mr. BROWN. Read what?

Mr. MILLSPAUGH. I want to say that—

Mr. BROWN (interposing). Read what? If I am going to answer your question, I do not want to be interrupted. You can tell me what you want me to read.

Mr. MILLSPAUGH. I will tell you what I want to bring out first. That section sounds like it was written in Petrograd.

Mr. BROWN. Perhaps it was the way I read it.

Mr. MILLSPAUGH. No, it was not; you read it very soft-pedally. And when I think that the commission would recommend to the American people a section like section 7 on page 6 of this bill, I am amazed.

Mr. BROWN. Congress has done it on two other occasions. That is taken from the Federal Trade Commission law, and also from the Interstate Commerce Commission law.

Mr. MILLSPAUGH. I do not care if it was. I am not one of those soft-pedal fellows who is afraid to criticize Congress, or the courts, or the commission, or anything else. Even if I am small of stature, I have still my American principles in me.

Wherever a rent commission is given authority to make such regulations; whenever some poor widow woman buys a house, or buys an apartment house and puts every cent of money that she has into that apartment house, and then a rent commission of three people, or five people, whom she never saw and whom she had no voice in choosing, makes regulations and calls on her to bring them books and papers—and asks drawings, if you please, because that is what it means, of her apartment, and she is unable to produce them, or unable to produce the money to obtain them; and then when they can fine her \$1,000 and put her in jail for noncompliance with the order—when that can be done, I say that the section providing that is abominable, if you please.

Mr. BROWN. Are you asking me a question or giving the answer? Now, if you will let me answer, I will do so.

Mr. MILLSPAUGH. I will let you answer: I want your opinion on that.

Mr. BROWN. The original paragraph of that section, in the original law as it passed over two years ago, contained such a provision, and there has been nobody put in jail under it yet.

Mr. MILLSPAUGH. Thank God, there has not?

Mr. BROWN. Well, it is enough to know that they might be put in jail if they violate the law. But I will say right here, as long as you have said that, that the provision of this law that says that they should furnish plans and other data simply provided that they should furnish them. And there is a gentleman here this morning that told me some time ago, before I was connected with the commission, that there was no way of enforcing that. And there was not. They could call for plans all that they wanted to; and you could take the original law, and there was no penalty and no way of enforcing it. And the only way to carry that section out when they called for plans was to issue a subpoena at the hearing; you had to set the case down for trial and issue a subpoena at the hearing, and then tell them to bring the plans in; and there was a penalty under that provision of the law. But under this provision as it was originally worded, there was no way to require them to furnish plans—that is, the proprietors of apartment houses or hotels. So that the only way they could enforce that was, as they did in one or two cases, to set the case down for trial without that data, and then they issued a subpoena at the hearing for them to produce the plans. And then it was suggested that you put teeth into the law so that we can enforce it. And you have got to put teeth into the law so that we can enforce it.

Mr. MILLSPAUGH. The Czar of Russia, in his palmyest days, never had any more power than is given to the Rent Commission by this provision.

Mr. SPROUL. Do you not know that 90 per cent of the owners of buildings in Washington would be unable to comply with that order? If you asked the owners of buildings to submit drawings, there is only one way for them to get the drawings, and that is to get an architect to make them at an expense of anywhere from \$600 to \$700. Do you not know that?

Mr. BROWN. No; I do not.

Mr. SPROUL. Well, it is a fact.

Mr. BROWN. They have never enforced it in that way; and they could not in fact enforce it in that way under this section.

Mr. SPROUL. If you are not going to enforce it, why put it in the bill?

Mr. BROWN. They have to enforce it in some way. The only other way would be that they would have to have the whole apartment house appraised.

Mr. SPROUL. How many of the commission, if the plans were submitted to them, could read the plans and tell what they meant? All of them?

Mr. BROWN. No, not all of them; but they have expert witnesses to appear before them and give that information.

Mr. SPROUL. Do you think it would be fair to me, if I had a piece of property, and had put the property in fair shape, and some tenant had come in and made a complaint, that you should put me to an expense of from \$600 to \$700 to furnish you plans that you would not know anything about when you got them? Do you think that would be a fair proposition?

Mr. BROWN. If it was necessary to do it.

Mr. SPROUL. If it was necessary?

Mr. BROWN. If it was necessary to carry out this law for the benefit of the public.

Mr. SPROUL. Would not that be a means of making the rents higher than they are now? If I was a landlord and had to spend that money, I would surely want to get my \$600 back.

Mr. BROWN. You are assuming that—

Mr. SPROUL (interposing). I am assuming just what is in the bill; I am assuming that you will ask for just what this bill calls for.

Mr. BROWN. Well, you have appointed a Rent Commission; and you have appointed judges to enforce the law; and the judge is supposed to be fair; and there have been no hardships under that law.

Mr. MILLSPAUGH. You have just admitted that they could not enforce it, and said that for that reason it would not work a hardship.

Mr. HAMMER. Have you ever tried any ejectment or other suits in court involving land titles?

Mr. BROWN. I have.

Mr. HAMMER. Did you ever try a land title case where title was involved where you did not have to have plats and surveys of the premises?

Mr. BROWN. Never.

Mr. HAMMER. How is it possible to determine otherwise? I see that this applies only to apartment houses.

Mr. MILLSPAUGH. Does it say so?

Mr. HAMMER. Yes. I did not read it carefully at first; I thought it applied to dwelling houses. But this can be changed in such a way as to meet the requirements, in some such way as this:

"File with the commission plans and specifications from the architect, or copies of the architect's plans, with such changes as had been made therein, if, in the opinion of the commission, they deem proper."

Mr. BROWN. Yes.

Mr. HAMMER. I do not see any objection to that.

Mr. MILLSPAUGH. You were not here to hear what I said about this.

Mr. BROWN. I will stick to this statement: I say this second paragraph of section 105 is practically the same as it was in the original law, and that it has worked no hardship; and that this addition practically—

Mr. MILLSPAUGH (interposing). Well, don't you see—

Mr. BROWN. Please do not interrupt me; I am right in the middle of a word, practically.

Mr. REED. I suggest that you let him finish.

Mr. MILLSPAUGH. Well, I thought he did that this morning.

Mr. BROWN. But you interrupt before I can answer the question.

Mr. MILLSPAUGH. Well, go ahead and answer the question.

Mr. BROWN. All right. Here is the provision, in section 105 of the act:

"Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce such books, accounts, records, papers, or correspondence."

Now, here is the addition made by the bill:

"Or who shall fail or refuse to file with the commission plans and other data in such detail as the commission may require, descriptive of the rooms, accommodations, and service in connection with any apartment, required by the commission, if in his power to do so"—

"If in his power." If he does not have them, he does not have to produce them.

Mr. MILLSPAUGH. Well, surely he can get them?

Mr. BROWN. It says, "if in his power."

Mr. MILLSPAUGH. But you will admit that if the commission tells him to get them he will have to get them?

Mr. BROWN. No; it says, "if in his power"; that is the construction.

Then it goes on:

"in obedience to the subpoena, order, or lawful requirement of the commission, or who shall neglect or refuse to comply with any lawful determination or order of the commission requiring him"—

Now, this has been added in the bill, and it is really necessary to the carrying out of the law:

"to furnish heat, electric current, or other service in any rental property or apartment shall be guilty of an offense, and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine of not exceeding \$1,000, or by imprisonment for not more than one year, or by both such fine and imprisonment."

The testimony has shown here that a landlord has absolutely cut off, for 231 days, the electric current of a tenant, and the commission was powerless to require him to put it on.

Mr. SPROUL. May I ask this question? If you had been a landlord and the tenant had refused to pay rent, what would you have done? Would you have refused to furnish light and service?

Mr. BROWN. You are making a hypothetical case.

Mr. SPROUL. I am asking about just the kind of case that I want to know about. I want others treated just as I would be treated myself.

Mr. BROWN. We have not had such a case as you present.

Mr. SPROUL. You have not had such a case? Well, it has been proved here that a man lived in an apartment for seven months without paying any rent; and the tenant made a howl here yesterday, or a kick, rather—excuse the expression—because the landlord had cut off the electric lights. Now, I presume the landlord should have gone right ahead and furnished electric lights and everything?

Mr. KELLER. I did not hear any such evidence here yesterday.

Mr. SPROUL. Well, it is in the record; that the tenant was in possession some 200 days without paying rent and without electric light.

Mr. KELLER. As far as I remember, the statement was made that they offered the rent; not the rent that the landlord asked, but the rent that the commission had fixed; and that thereafter the landlord cut off the current.

Mr. BROWN. That is absolutely right.

Mr. MILLSPAUGH. Well, it is a fact—

Mr. BROWN (interposing). I am trying to answer Mr. Sproul's question. No man can stay in without paying rent for six months in the District of Columbia.

Mr. MILLSPAUGH. Well, they are doing it. I know of case after case in which it has been done.

Mr. BROWN. Give them to me, and I will have them put out.

Mr. MILLSPAUGH. No; you will not. You have had seven months in which to do it.

Mr. HAMMER. Mr. Witness, do you undertake to enforce the law unless a case is brought to your attention? Do you try to kill every snake that you see?

Mr. BROWN. No; I do not. There are a good many snakes lying around in the District of Columbia. I just want to say positively that no man can stay on any property without paying rent, either under the present law or under the former law; and the present law says that a man can stay in as long as he pays rent; and so the law says in effect that he can not stay in unless he pays rent.

Mr. SPROUL. Well, they have stayed in.

Mr. BROWN. Not unless the landlord wanted them to, Mr. Sproul.

Mr. MILLSPAUGH. I can show you case after case where they have done it.

Mr. BROWN. Well, they have stayed in with the landlord's consent, or else the landlord does not know the law.

Mr. MILLSPAUGH. No; it was not with the landlord's consent.

Mr. BROWN. Then the landlord is not posted on the law.

Mr. MILLSPAUGH. Well, perhaps the landlord does not know the law.

Mr. BROWN. Well, they are supposed to know the law.

Mr. HAMMER. I will ask Mr. Millsaugh to prepare a list of those cases and hand them to Mr. Brown.

Mr. MILLSPAUGH. We have Mr. Brown on the witness stand; I am not on the stand.

Mr. HAMMER. My friend, Mr. Millsaugh, is either earnest and sincere about those cases, or he is not. I think he is earnest and honest in the matter; but I think we have a right to know whether these facts exist in the District of Columbia, and have a right to ask Mr. Millsaugh to furnish a list of those cases to Mr. Brown, and that he should do it.

Mr. MILLSPAUGH. I think Mr. Brown has demonstrated his ability to take care of himself.

Mr. HAMMER. I am not taking care of Mr. Brown. I am taking care of myself and the interests of the public of the District of Columbia.

Mr. MILLSPAUGH. You are doing your best to protect him.

Mr. HAMMER. I say that it is unfair to Mr. Brown, and to this committee, for Mr. Millsaugh to say that he knows of a number of cases of that kind, when the attorney for the Rent Commission says he does not know of any such cases; and if they do exist,



that goes to the very gist of this inquiry. And so I suggest that he give the names; that he either put them into this record or furnish them to Mr. Brown or to the Rent Commission, so that they can investigate them; and I submit that we can put an end to all of this argument in that way; and that that is the fair and honest thing to do.

Mr. MILLSPAUGH. I think, if you really want it, we have evidence enough to convince you.

Mr. HAMMER. Do I understand the gentleman to say that he declines to do that?

Mr. MILLSPAUGH. I do not refuse to do it.

Mr. HAMMER. Mr. Chairman, I move that there be no further discussion of this point until he does that.

Mr. MILLSPAUGH. If you do that, I will make the point of no quorum.

Mr. HAMMER. I make the motion now, and I ask for a ruling on it.

Mr. MILLSPAUGH. All right, sir.

Mr. HAMMER. I want to know if the gentleman is sincere here. He has made a statement that is disputed by everyone. He says he can furnish these cases. He says that he believes Mr. Brown is an honest man; and if he thinks that he certainly has confidence enough in him to know that he will not disclose any information that he gives him privately and in confidence.

Mr. SPROUL. Will the gentleman yield for a moment?

Mr. HAMMER. No; not now. I want to stop this. If it is a bluff, I want to call it. But if it is something that the gentleman can furnish for an honest purpose, or the commission can get for an honest purpose, in order to put an end to this condition of affairs, then I want it, and we are entitled to it.

Mr. SPROUL. Now, Mr. Chairman, I want to know if the gentleman will yield?

Mr. HAMMER. Certainly.

Mr. SPROUL. Yesterday two or three of the witnesses testified, and the record shows it, that they lived, and one of them still lives, in an apartment where he has not paid any rent for six or seven months, I do not know just how long.

Mr. HAMMER. The landlord would not receive the rent.

Mr. SPROUL. Nevertheless, the tenant has not paid any rent.

Mr. KELLER. He offered the rent two or three times. For two or three months he offered the rent and the landlord refused to receive it. It was after the law was called in question and was sustained by the court; and the landlord refused to abide by that law and refused to accept the rent, and cut off the current in that building.

Mr. SPROUL. Will the gentleman say why the landlord refused to accept the rent?

Mr. KELLER. Because he did not agree with the court's decision on the rent; that is precisely the reason.

Mr. HAMMER. And the law says that that is the rent until it is reversed—

Mr. REED (interposing). Let me interrupt you one minute. Mr. Brown and other members of the Rent Commission have indicated that the law might be amended to cover that one particular point, requiring the tenant to have the rent deposited somewhere pending the determination of the case. That is conceded, is it not?

Mr. MILLSPAUGH. I beg the chairman's pardon—

Mr. REED (interposing). Mr. Brown conceded it.

Mr. MILLSPAUGH. I beg the chairman's pardon. Mr. Brown and Mrs. Taylor stated that this law should be put through as it is.

Mr. BROWN. No.

Mr. KELLER. Well, suppose they did?

Mr. MILLSPAUGH. Well, the chairman says they are in favor of amending it. Now, either they are or they are not.

Mr. BROWN. What I said was—

Mr. HAMMER (interposing). The only hope we have of accomplishing anything is to do something like this, because otherwise we can not get the bill enacted by the 22d of May. And I can tell you now that this committee in my opinion is not going to permit any kind of tactics that will result in this bill being killed.

Mr. MILLSPAUGH. I will tell you this: I have been attending these meetings of the committee regularly—

Mr. REED. Let us have order. This is a session of the Committee on the District of Columbia, and not a meeting of "the Committee of the Whole" of the House of Representatives. [Laughter.]

Mr. HAMMER. I accept the suggestion.

Mr. KELLER. I have listened with patience to the evidence so far introduced, with the idea of giving Mr. Millspaugh all the opportunity he wants to bring in the evidence here. He has said time and again that he was opposed to the bill, but he would not fight it; that he wanted to be fair. But I have come to the conclusion absolutely that Mr. Millspaugh has in mind to have this bill killed. That is what he has in mind.

Mr. MILLSPAUGH. I resent that, and I say that is untrue, absolutely.

Mr. KELLER. All right. That is my conclusion, that I have come to by the evidence so far.

Mr. MILLSPAUGH. That is untrue; and I do not thank you for the conclusion. I will say that.

Mr. REED. Any member of the committee will be given an opportunity to present his views to the committee in executive session. I think the committee should proceed now to get information from outsiders; later we can hold our executive sessions and make our speeches.

Mr. MILLSPAUGH. The commission were not my witnesses. I did not suggest bringing them here. The chairman of the committee, Mr. Focht, brought them here; he brought Mr. Brown here. Now, these are not my witnesses. I will put my witnesses on; do not worry about that.

Mr. REED. I suggest that we proceed.

Mr. BROWN. I have said all I want to.

Mr. MILLSPAUGH. I was asking him questions.

Mr. REED. Well, let us get along.

Mr. MILLSPAUGH. I want to put an end to these stump speeches if I can. But beginning in line 21, page 6 of the bill, I find a provision that if the landlord, whether it is a man or a woman—even if it is a widow—fails to furnish heat, electric current or other service, that landlord is liable to a penalty of \$1,000 and imprisonment.

And if you ever heard of a Russian law any worse than that, I would like to know what it is. Now, the Rent Commission is human; we admit that. The commission can compel, on the complaint of some tenant, a widow to put a certain kind of elevator service in her apartment house, or to put maid service in, or to change the service that she has established in that apartment; and if she does not do exactly what the Rent Commission directs, she is subject to a penalty of \$1,000 fine and imprisonment.

Mr. HAMMER. Just like the Volstead law. [Laughter.]

Mr. MILLSPAUGH. It is the most extraordinary law I ever saw.

Mr. HAMMER. They give the power, but do not exercise it.

Mr. MILLSPAUGH. Let the witness answer.

Mr. BROWN. Do you ask my opinion as to whether that is fair or not?

Mr. MILLSPAUGH. Yes.

Mr. BROWN. If you will not interrupt me, I will tell you.

Mr. MILLSPAUGH. I do not see why you should object to being interrupted.

Mr. BROWN. Well, I can not answer if you keep on interrupting me. If you do not interrupt me I will answer fully.

Mr. MILLSPAUGH. Don't you interrupt witnesses?

Mr. BROWN. No; I do not.

Mr. MILLSPAUGH. You are the first lawyer I ever saw who did not.

Mr. REED. Let us get back to the main question.

Mr. BROWN. All right; I will have the floor. I say that a person that has an apartment house—and the only means of furnishing heat or electric current to those rooms that she rents out is through the proprietor or the landlord—who refuses or fails to furnish heat, as has been done, as shown in the testimony here again and again, I say that they ought to be penalized either by a fine of not exceeding \$1,000 or a year of imprisonment; and I say, so far as your widows are concerned, that the old, weak widows, with little children perhaps, who have taken those apartments with the implied promise on the part of the landlord, even if it is not in the contract, that they shall furnish heat—and when that is the only way they have of getting heat—I say that that widow might die or some of those children might die as the result of the refusal to furnish heat to their rooms, and the proprietor, whether it is a widow or not, should be penalized in some way for not doing it, and you can not conduct an apartment house in any other way.

Mr. MILLSPAUGH. You are taking extreme cases.

Mr. BROWN. That is the only way the law can be enforced.

Mr. MILLSPAUGH. The law says that she is guilty if she does not furnish that service, whatever her intent may be. You have not got anything about intent in there.

Mr. BROWN. That is implied in every criminal law.

Mr. MILLSPAUGH. Well, let us imply it. If three tenants go there and testify that she has the intent and she testifies that she has not, what will happen?

Mr. BROWN. She has to be convicted before a court of justice.

Mr. MILLSPAUGH. She has to hire a lawyer.

Mr. BROWN. Well, she is tried by a court of justice; and you know that it is impossible for her to be convicted without a hearing and evidence—

Mr. MILLSPAUGH (interposing). Well, she has to go to the expense of hiring a lawyer.

Mr. BROWN. She ought to hire a lawyer, and not make these poor tenants go to the expense of hiring one.

Mr. LAMPERT. Mr. Chairman, I have not taken up much of the time of the committee so far; but at this time I want to make a motion. Judging only by the time it has taken to get the testimony that we have so far had, and taking into consideration the necessity for prompt action, it seems to me that the thing to do is to close this hearing; and in order to get an expression from the committee, I move that the public hearings be closed to-morrow, and that we take up the bill in the committee Saturday morning. I will make that as a motion.

Mr. FITZGERALD. I second that motion.

Mr. MILLSPAUGH. May I speak, Mr. Chairman?

Mr. REED. Yes.

Mr. MILLSPAUGH. I understand that the Members of the House are going to Quantico, a great many of them, on Friday, and I presume the committee will hold no hearings. As I have just stated, these witnesses that have been put on—

Mr. HAMMER (interposing). Can we not cut out the Quantico business, on account of the importance of this measure?

Mr. MILLSPAUGH. No, sir; I shall not. I am frank about it. Every one of these witnesses that have been put on, practically, is a witness that has been put on by advocates of the rent law. I did not ask the commission to come here; I did not ask Mr. Brown to come. After they came, I questioned them.

But I have got some landlords; and I really believe—I am honest and sincere about this—that I can close with my landlords and my witnesses to-morrow easily.

But, so far as I am concerned, I am not going to tie my hands; and I am going to resent it to the last ditch; and I said before I would try. I understand that this afternoon we have been delayed; but it has not been my fault; it is because we are sitting during a session of the House, that has called us over there time and again. You will all admit that.

Mr. FITZGERALD. Let me see if we can not close Saturday noon.

Mr. MILLSPAUGH. I am ready to meet to-morrow morning at 9 o'clock. But I am not going to allow my hands to be tied.

Mr. HAMMER. Let me suggest that I do not speak for the tenants; but these tenants who came here yesterday came to me naturally because they knew me; most of them are from my State.

Mr. MILLSPAUGH. That is all right.

Mr. HAMMER. Now, I am going to suggest to those tenants that they forego the right that they have to appear and give testimony, and ask them to prepare what they have in the form of an affidavit and submit it; and not one of them will ask to be heard; that is in order to expedite this hearing. And I am sure that they will agree to do that. And we will give you all of to-morrow, and then close the hearing.

Mr. MILLSPAUGH. I will not say that I appreciate that, because I resent the imputation that my friend across the table made, because on calm judgment he will realize that he was mistaken. I am willing to close this thing up, but I do not want my hands tied.

Mr. FITZGERALD. You are not willing to sit all day to-morrow and then close, even if you are allowed to occupy all the time?

Mr. MILLSPAUGH. No; let us meet to-morrow and sit all day, and then—

Mr. FITZGERALD. Suppose we sit until Saturday noon and then close?

Mr. MILLSPAUGH. I do not know what will develop, but I will try.

Mr. FITZGERALD. It is not a question of trying; but I think we ought to set some definite time, especially if we afford you special privileges.

Mr. MILLSPAUGH. All right.

Mr. HAMMER. And then we will have one day for executive session, the day following, Monday.

Mr. MILLSPAUGH. Yes.

Mr. HAMMER. And on that day the report will be made, and we will get it before the House, and if necessary, we will ask for a special rule.

Mr. MILLSPAUGH. But I warn you that if any tactics are used on my witnesses, I will want an extension of time.

Mr. WOODRUFF. What do you mean by "tactics"?

Mr. HAMMER. I want to say to the gentleman, as I said yesterday, that he has occupied three-quarters of the time before the committee.

Mr. MILLSPAUGH. Do you want me to be frank?

Mr. HAMMER. Yes.

Mr. MILLSPAUGH. I am not accusing you; but I want to say that your witnesses—or I will not call them your witnesses; I will say that Mr. Sinclair dodged every time I asked him a question; and I think Mr. Brown has killed a lot of time.

Mr. BROWN. Have I dodged anything?

Mr. HAMMER. I think you do Mr. Sinclair an injustice when you say he dodged.

Mr. SPROUL. Mr. Chairman, I ask for the regular order. We have witnesses here. Let the members of the committee do the talking after we get through with the witnesses.

Mr. REED. Gentlemen, you are encumbering the record with all of this discussion that is not germane to the law and will give nobody any information.

Mr. SPROUL. Mr. Chairman, we have two more witnesses here.

Mr. FITZGERALD. A motion is pending before the committee. Mr. Millspaugh is willing to meet the other members halfway; and I wish to amend that original motion, to the effect that all public hearings be concluded at 2 o'clock Saturday.

Mr. MILLSPAUGH. I will not agree to that.

Mr. FITZGERALD. I thought you said you would?

Mr. MILLSPAUGH. No, sir; I said Saturday night.

Mr. WOODRUFF. Then I shall insist upon the original motion being put under those circumstances.

Mr. MILLSPAUGH. You have agreed to Monday.

Mr. WOODRUFF. I have agreed to nothing.

Mr. FITZGERALD. Then I will make this amendment: That all public hearings close on Saturday.

Mr. MILLSPAUGH. Specify the time.

Mr. HAMMER. At 5 o'clock.

Mr. MILLSPAUGH. All right. I am as anxious to get through on Saturday as you are.

Mr. FITZGERALD. That amendment has been accepted by the mover of the motion.

Mr. REED. It has been moved and seconded that public hearings on S. 2919, known as the extension of the Ball Rent Act, be concluded—

Mr. MILLSPAUGH (interposing). At 5 o'clock Saturday evening.

Mr. REED. At 5 o'clock Saturday afternoon. Does the Chair hear any objections? [After a pause.] It is unanimous.

Now, there are some other witnesses here.

Mr. HAMMER. I understand there was a motion also that we would have an executive session Monday.

I move that we have an executive session on the bill Monday and that on Tuesday the bill be reported.

Mr. FITZGERALD. I second the motion.

Mr. REED. You have heard the motion of Mr. Hammer.

(The motion was unanimously adopted.)

Mr. REED. The ayes have it.

Mr. MILLSPAUGH. I do not believe you went into the question of impounding the rent, Mr. Brown?

Mr. BROWN. Yes; I did.

Mr. MILLSPAUGH. Will you state it again?

Mr. BROWN. I said in case the commission should make a determination fixing the rent lower than the landlord was satisfied with, and he took an appeal and gave a bond, that I was in favor of some provision by which the tenant should impound the difference between the amount he pays under the determination of the Rent Commission and the rent that the landlord demands.

Mr. MILLSPAUGH. I thank you. I did not know that.

Mr. BROWN. Now, I want to say one thing more in connection with what the chairman handed me. There was a letter there to Mr. Focht saying that it was an unjust thing for the Rent Commission to say that if the landlord took the rent subsequent to the determination of the notice to quit that they held that that avoided the notice.

Now, that is the general law; they can not do otherwise. I have always felt that it was an unfair law that where a landlord gives a notice to the tenant the law only allows him to receive rent up to the termination of that notice, and if he takes rent for one day over all the courts universally—and that is without exception in the District of Columbia—hold that it creates a new landlord and tenant relation and that it avoids the notice.

I am perfectly willing to have some provision in the bill that would require the tenant to pay subsequent to the notice and that it would not avoid the notice.

Mr. MILLSPAUGH. You do not believe, then, that this is a perfect bill as it is?

Mr. BROWN. I am talking about the general law. That is only following the general law, which is an outrage on landlords.

Mr. MILLSPAUGH. All right.

Under this bill every commissioner can hear evidence. They can hear it for five years under the bill.

# 168 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

Mr. BROWN. They can hear evidence and make a certified copy and then the whole commission can make a determination on that evidence or on the inspection of the property.

Mr. MILLSPAUGH. You think that the remedy would be to keep them, to continue that?

Mr. BROWN. I think so.

Mr. MILLSPAUGH. Does the commission attempt to fix the rentals of its own accord?

Mr. BROWN. No; it can not, Congressman. As a business man, I try to mind my own business.

Mr. MILLSPAUGH. On the contrary, who made a motion to advance the Meridian mansion hearing?

Mr. BROWN. The attorney for the—

Mr. MILLSPAUGH (interposing). Who advanced the case—I mean who took it up?

Mr. BROWN. The attorney made the motion.

Mr. MILLSPAUGH. He did?

Mr. BROWN. Yes.

Mr. MILLSPAUGH. No; on the docket who made the motion to advance?

Mr. BROWN. I do not know who made the motion to advance. I will say this, though, that the original complaint, made was made away back, the first month, and if they had been reached in their regular order, the Meridian Mansions case would be reached just about the time set for the hearings.

I thank the committee for the attention that has been given me.

Mr. HAMMER. Mr. Chairman, I renew my request, to have inserted a letter written by John T. Healy, dated April 7, 1922, in response to a letter, an inquiry to him, in which he says:

"Replying to your letter of the 6th, I beg to advise you that the number and valuation of permits issued by this office during the past four years were as follows:

	Number of permits issued.	Valuation.
1921.....	9,290	\$24,327,434
1920.....	7,581	19,511,928
1919.....	6,920	20,463,292
1918.....	3,795	7,172,818

"At the present time more building permits are being issued each day on the average than at any time previous. During the first three months of this year, January, February, and March, there were issued 2,009 permits, with a total valuation of \$7,092,420.

"Trusting this information will be of value to you, I am,

"Very truly yours,

"JOHN P. HEALY,  
"Inspector of Buildings, District of Columbia."

In that he states that during the three months of this year, January, February, and March, there were 2,009 permits, with a total valuation of \$7,092,420, and that the number is larger than at any other similar period in the history of the city.

Mr. REED. Will the committee hear any other statements to-night?

Mr. SPROUL. There are two men here that want five minutes apiece.

Mr. REED. Who are they?

Mr. HAMMER. I am willing to hear them.

## STATEMENT OF MR. RANDALL H. HAGNER, OF WASHINGTON, D. C.

Mr. REED. Are you a sworn officer of the Government?

Mr. HAGNER. No; I am in the real estate business.

Mr. REED. You may be sworn.

(The witness was thereupon duly sworn.)

Mr. HAGNER. Mr. Chairman, my idea of this Ball rent law, or as it was originally the Saulsbury law, is that I think that at the time, during the war, it had its purpose, and unquestionably had a temporary advantage.

It seems to me—and I think as a rule that men in business get a more direct angle than those that are not as to the questions that they are facing. I am neither a speculator or a builder. One is naturally affected one way or the other, and would not be

equally frank, but to my mind to-day, from my observations, and I have seen how it is working, I think that it is working against not only the general benefit of the city, but the renting class.

Now, just a moment ago, there was a statement read about some millions of dollars worth of improvements, which is very true. I have lived here all of my life. There is more building going on than I have ever seen, and we are overbuilding Washington just as sure as I am standing here, but there is not a brick laid in a piece of property that is for rent except in apartment houses.

The reason that more apartment houses are not being built, and more dwellings are not being built for rent, is because the people renting buildings do not get enough for them. It costs more to get a new building.

But there are many new buildings that are being built to sell, many dwellings to sell at a higher price than they should legitimately sell for, because there is no rental competition.

Now, when the builders get more houses than they can sell, and they can make a legitimate lease, then we are going to get back to the times that we used to have, when we used to have houses for rent.

If a builder builds a row of houses and has a number of houses that he can not sell, if he can get a legitimate tenant that will rent those houses and pay him a hundred dollars a month for a lease on those houses, he is going to lease them. If he can rent on an effective lease at \$125, and there is a question of it being set aside, he is going to keep it empty indefinitely, and continue a questionable selling in order to make the people pay by selling not on a sound basis with a small cash payment, but he is going to sell them for more than they are worth, with a larger cash payment, and the result is that there is a general upsetting of the real estate values.

That, to my mind, is one angle of it.

Selfishly, there is not a real estate man in Washington that has not made more money since the enactment of the Ball bill than he ever did before, and when you come down to it, the real money in the real estate business that comes to the broker is on his commissions on the sales; the rental commission where he gets two or three or four dollars does not amount to much. It may pay his expenses. There is not an office in Washington that has not shown more profit, made more money, paid more income taxes, made more money, since the enactment of the Ball bill than they ever did before or ever will after it is eliminated.

If you eliminate the Ball bill, I believe that a man would get a little greater division on his business property, because I think that that is on a perfectly impracticable sort of a basis. Business property is excluded from the Rent Commission.

Congress has provided for the appointment of a zoning commission. Now, that zoning commission has gone through the different sections of the city. They have said that this was first commercial, this second, and that residential, and so on.

Now, the result is that where there is a building which is rented totally for stores, if you have a tenant in that building you can not get rid of the tenant, you can not sublet, and you can not remodel, or you can not do anything whatever with that building. You can not get possession of it regardless of where it is located, whether it is located in a business zone, that the owner pays business assessments, and so on. If one of the upper floors has a room and a bath or three rooms and a bath on the top floor, you can not sell that building to anyone that can get total possession, even though they want to occupy it themselves.

You might get a permit to remodel and only then can you tear down that building, provided you build, though it is in the business section, and replace that same amount of living accommodations.

Now, that is a little complicated, but the best illustration that I know of is the case of a well-known bank that bought a building at Fourteenth and Park Road. It was an old four-story building with stores underneath and with a lot of flats above. They bought that with the idea of building a savings-bank building. They paid for it—although I do not know exactly—about \$187,000 for the lot. They then were going to build a building to cost about \$300,000. In other words, it was to be a \$500,000 improvement. There was only one lease in that property, and that was some old Italian that had a fruit store. This Italian's lease ran until the 1st of September. They had a \$200,000 piece of property there with rentals which did not pay for the heat, light, with no income feature to it.

To get this Italian out of the place they had to pay him \$6,500 to surrender his lease, which he did. That was the only lease in that building.

They went down to the Rent Commission, and they found out that the law was such that they could not get rid of these tenants, even though they only had monthly leases, unless they would build a modern business building and put that number of apartments in it, at Fourteenth and Park Road.

Now, I think that that is something that ought to be straightened out.

Now, there is another case of some property at Fourteenth and K Streets. There are four properties there, 1412, 1414, 1416, and 1418 K Street. They are all connected. It is one property with three insides.

Those properties are rented, those four properties, are rented to a policeman known as Sergeant Greene. Maybe you saw in the paper a month or so ago that he had saved \$120,000 and the way to get it, the way to get rich, was not to spend money, but to save, that that was the way to get rich, or something of that sort.

Now, those properties were bought for \$231,500. One was sold to the People's drug stores, the one on the corner. Another was sold as a business property. We came to find out that the Peoples' drug store could not get possession, because they could not dispossess this fellow Greene, because the business corner at Fourteenth and K Streets was being occupied as residence property. That was a residence that we could not get Greene out of, who has a monthly lease only, and the only arrangements that could be made was for the fellow on the corner to give \$200 or take four for the other three.

Now, there was a situation with a piece of property that actually cost \$231,000, paying \$600 a month rent.

Now, then, there are horrible landlords and all of that, yet this fellow Greene—and it is not unusual at all—this fellow Greene who owns property, a piece of property but a short distance away at Tenth and K Streets, which he rents to some woman for a boarding house.

Then, we had a case of one, which fortunately we did not sell. We were collecting the rent on a piece of property at 1603 K Street. It was sold to a woman by the name of Meza, who runs a store at Nineteenth and Q Streets. She paid \$46,700, paying a part cash and part notes. She had a husband. I do not know where he worked, but they had saved a little money. The woman in there owned a lease, a monthly lease, and we happened to be collecting the rent, \$250, from the former tenant. We served notice through our lawyer, just the regular notice. She came down to the office and said that she was very sorry, but that she could not move, because she could not find a place, but that if we would give her one month more that she would in that time, she knew, be able to find a place, and signed a letter to that effect. We did it. That was pretty nearly a year ago.

That case then, when we saw that she was not acting in good faith, we took up, put it before the Rent Commission. We wrote them and stated the case, and endeavored to give them all of the information we could. I did not do it personally. We heard nothing from them for about two or three weeks. We called up down there one day to find out what the trouble was, and somebody over the phone said that the notice was not made out properly.

Now, of course, we went to the commission with a statement of facts. That is what we thought that they wanted. Then, when we called them up on the phone, they said that it was not in proper form. I think that that was last June, when it was put in proper form. The hearing on that was to come up here last Tuesday, and my partner, who had been attending to it, Monday had his tonsils taken out, so he was not able to appear before the commission.

Now, then, there was another case where we went to the Rent Commission, where we had the leasing in the building at 1924 Sixteenth Street. It has only recently been finished. The whole building had been rented. It had only been rented a very short time when we got a request from the Rent Commission to send them an itemized account of the rentals, expenses, and costs. That was a couple of months ago. About a week ago we got a complaint from one man that the apartment was so hot that it melted the ice in his ice box. That is a fact. We got a complaint from another man who said it was so cold that he had to wear his overcoat in the evening when company came. Those are really facts.

The Rent Commission—now, it is that sort of thing that people are objecting to.

Now, there is a case in this one building—now, I do not mean so say that there are very rich people in that building, but there are no comparatively poor people. The building is only six months old, and yet it is almost in the Rent Commission.

With regard to the case of this woman, this Italian woman who bought this piece of property on Connecticut Avenue, which was zoned as business property, pays business prices, pays business taxes, pays business assessments; she can not get possession of that because there is somebody on the top floor, and she is not able to get them out.

Now, I think that the Rent Commission—I am not here for the purpose of criticizing them, because we have been extremely fortunate—I think that we have only had four or five cases, or something like that, and I think that there has only been one

of them, only been once in which there was an objection to the rents, and some woman claimed that a speaking tube in her apartment had been mashed during construction, and they reduced the rental on her apartment \$2.50.

Really, we have gotten along extremely well with them, but it is just, to my mind, not a practical proposition, and I think the Rent Commission to-day is making it possible for the holding up of the high rents.

Now, I think I have said about all that I care to bore you with, unless somebody desires to ask me some questions. If anybody wants to ask me any questions, I will be glad to answer them to the best of my knowledge.

To my mind, one important thing that ought to be done, is to ascertain what is business property and what is residential property, and the zoning commission has done well, and my recommendation would be—we have a zoning commission and they have done good work. They have their own ideas. I have tried several times to get them to come to my ideas, but they would not do it. But they have done good work. But I think that when property is zoned as business property, that with regard to that property, with regard to business property, is that it ought to be left out.

Now, this morning—I just want to say this one thing: This morning, Mr. Brown referred to the business property. He referred to property with which I am familiar. If I have a location which is less desirable, it is not argued that it should be changed from business property. The better business property is usually along certain streets. Mr. Brown said that there had been increases of from two to three hundred per cent. Well, that is not unusual, when you stop to think about it.

Take—you can take F Street. F Street is one street to-day. Ten years ago it was another street. Washington is one city to-day. Ten years ago it was another city.

You can take the Washington Railway & Electric Co., to-day, if they decide to make a transfer station some place, and there may be on that corner nothing but a frame shack renting for \$40, but it may immediately become one of the best business properties in the city.

Take Fourteenth and Park Road, the place where the Riggs Bank Building is to be erected. I remember that place, the value increased to this extent. It sold the first time for \$80,000, then \$130,000, and then somewhere around \$186,000 or \$187,000, and all of that in a space of about four years.

Now, then, I do not think that the Riggs Bank is looked on as Exhibit A from the viewpoint of ignorance here, yet they went there and paid about \$100,000 more for that property than it sold for three or four years ago, on account of its value as a business location.

Mr. MILLSAUGH. Mr. Hagner, I want to ask you just one question. If a crack in the wall is worth \$50, and cockroaches are worth \$30, do you not think that \$2.50 is about right for a speaking tube?

Mr. HAGNER. I think that that is a pretty good proportion, sir.

Mr. REED. We promised to hear Mr. Dulany. He wants to file a statement with the committee.

#### STATEMENT OF MR. H. ROZIER DULANY, JR., OF WASHINGTON, D. C.

Mr. DULANY. I want to state to the committee that I would like to file a statement. I feel that the point has been pretty well covered by Mr. Brown, and I would like to have an opportunity of filing this statement on behalf of the owners of Pelham Courts apartment, No. 2115 P Street NW.

I just wish to put this statement in. I think that Mr. Brown has already covered the point I raised, and I think he stated that he had no objection to them, so I will just file this statement for the consideration of the committee.

(The statement referred to is printed in the record in full, as follows:)

WASHINGTON, D. C., May 2, 1922.

COMMITTEE OF THE HOUSE OF REPRESENTATIVES FOR THE DISTRICT OF COLUMBIA.

GENTLEMEN: As attorney for the owners of Pelham Courts apartment, No. 2115 P Street NW., Washington, D. C., I desire to call to the committee's attention the need for amending the present Ball rent law in two particulars:

(a) To enable landowners to obtain possession of their property for their own use expeditiously and without unnecessary delay.

(b) To enable landowners who desire their premises for their own use and occupancy and who have served on their tenants notice to vacate, to collect rent after the expiration of such notice and during the pendency of proceedings before the Rent Commis-



sion or the court of appeals without creating the relationship of landlord and tenant and without waiving the notice to vacate by the subsequent acceptance of rent.

As an instance of the need for such amendments to the existing law, I desire to cite the case of Joseph E. O'Toole v. Mabel E. McNey, agent for the owners of Pelham Courts, Rent Commission case No. 5404.

Pelham Courts is held under a trust agreement whereby H. A. Toulmin, sr., H. A. Toulmin, jr., and Ralph P. Thompson are trustees and whereby Mr. and Mrs. Toulmin, sr., Mr. Toulmin, jr., and Mr. Thompson are beneficiaries. Please note that Mr. Thompson is both one of the legal owners as well as one of the beneficial owners.

On October 17, 1921, the legal owners that is, Messrs. Toulmin, sr., Toulmin, jr., and Thompson, served on Joseph E. O'Toole, occupant of apartment No. 700 of Pelham Courts, a notice to vacate apartment No. 700 on December 1, 1921. Such notice set forth that that apartment was desired for the personal use and occupancy of Mr. Thompson, one of the joint owners.

On November 29, 1921, Mr. O'Toole filed with the Rent Commission a petition to pass upon the sufficiency of such notice to quit and vacate, which petition was served on the owners' agent about December 6. An answer to this petition was filed with the Rent Commission on behalf of the owners on or about December 14, 1921.

On or about January 7, 1922, the owners through their attorney filed a motion to advance this case and as reasons for such advancement filed a letter from Mr. Thompson setting forth the serious illness of his uncle who lived in Washington and the urgency of his coming to Washington to be near his aunt and her two daughters, as he was their only male relative. This motion to advance was finally acted upon, but only after a threat to bring mandamus proceedings in the court of appeals, and was granted by a divided commission, so I am informed.

The case was finally set for hearing on February 9, and postponed until February 13, at the plaintiff's request. At that hearing, Mr. Ralph P. Thompson was called as a witness and after being duly sworn gave testimony that he was one of the joint owners of Pelham Courts, having both a legal and beneficial interest; that he had joined with the other legal owners in the notice to vacate apartment No. 700 which had been served on Mr. O'Toole, and that he and his family had made arrangements to move to Washington and reside permanently in the District of Columbia; that he had even gone so far as to pack his household furniture and send it down to the boat landing at Pocomoke City, his then residence, and that his reason for deciding to make Washington his permanent residence was in order to be near the Patent Office and devote himself to research work, which he could perform to better advantage with the facilities afforded by a city than he could in the country. There was absolutely no evidence offered by the plaintiff to disprove the testimony given by Mr. Thompson.

Mr. Thompson testified further that there were only six apartments in Pelham Courts which were large enough for his family; that is, apartments Nos. 200, 300, 400, 500, 600, and 700, and Mrs. McNey, the agent for the owners, testified that all of these apartments were occupied by tenants at the time of and since the serving of the notice to vacate on Mr. O'Toole.

On March 8, 1922, the Rent Commission, acting through Mr. Sinclair and Mrs. Taylor, found that the demand of Mr. Thompson and the other legal owners of the apartment for the possession of apartment No. 700 was not made in good faith for actual and bona fide occupancy by Mr. Thompson. The owners are unable to state on what grounds this decision was based, as there was not one word of testimony to refute or contradict the sworn evidence of Mr. Thompson, nor was there any attack made on his credibility as a witness. Shortly after this decision of the commission, the owners through their attorneys noted an appeal to the court of appeals and requested the preparation of a transcript of the record in order that it might be filed with the court of appeals, and, subsequently, a bill of exceptions was also filed with the Rent Commission. Although the rules of the court of appeals provide that the record should be filed with it within 30 days after the determination of the Rent Commission, this transcript has not at this date been so prepared, and although the owners through their attorneys have made repeated requests for the preparation of the transcript of record they have been unable to obtain it from the Rent Commission. Due to these delays it will be impossible to present the case to the court of appeals before the fall of 1922, probably December.

To summarize the facts in this case, Mr. Thompson has been endeavoring without success to obtain apartment No. 700 in Pelham Courts, of which property he is one of the joint owners, for his own use and occupancy, since October, 1921, and can not possibly obtain the use and occupancy of this apartment for himself until after the expiration of one year from the time at which he served upon the present tenant the notice to vacate.

Furthermore, the owners have been unable to collect any rent on apartment No. 700 since December 1, 1921, because the acceptance of such rent would create the relationship of landlord and tenant and be considered as a waiver of the notice to vacate. The result is that Mr. O'Toole has occupied his apartment since December 1, 1921, until the present without the payment of any rent and will continue to do so until after the case is heard by the court of appeals in December, which will constitute a total occupancy of more than one year without the payment of rent.

We submit that these results are unfair to the owners and that the law should be amended in such a way as to remedy these conditions and make it impossible for them to exist, and desire to go on record as not being opposed to the passage of a fair and just rent law impartially and properly administered by a competent commission.

Respectfully submitted.

H. R. DULANY, Jr.

Mr. REED. Now, there is another gentleman that wants to be heard.

**STATEMENT OF MR. WILBUR F. CRAFTS, SUPERINTENDENT INTERNATIONAL REFORM BUREAU, WASHINGTON, D. C.**

Mr. CRAFTS. Mr. Chairman, I have been a resident of the city of Washington for 27 years—by the way, I think I will be sworn.

(Whereupon the witness was duly sworn.)

Mr. CRAFTS. I think that this matter is a good deal more than a local matter, for what is done by the Congress of the United States will be known by every legislature in the Nation.

And so I consider it very important to make this suggestion, because I think it is a matter that has been overlooked a good deal by those making the law.

I talked with Senator Ball, and he thought that the defect I am to point out was not in the bill, and I talked to Senator Pomerene, just before he made a speech on the bill, and he, too, doubted there was such an injustice in the bill, but we only have to turn to the bill for a moment and see.

Now, I am a tenant. Personally, I do not have any property to rent. As an officer of a benevolent corporation we have three little pieces of property, and it is with reference to one of those, which is a garage, I want to speak. Without using names, I want to give an illustration of the possible injustice that may be wrought to a landlord who perhaps has very little property, under this bill as it stands—and I think that a word to the wise will be sufficient.

Now, in the bill, in section 112, page 15, it is distinctly provided that if a decree is made in the interest of the tenant—

Mr. REED. Just a moment. Some of the members of the committee are leaving. You understand that we are to meet at 9 o'clock to-morrow morning.

Mr. CRAFTS. I will put this in a very few words.

In section 112 it is clearly stated that if the tenant gets the verdict, the commission is authorized to bring an action without payment of costs. In other words, the tenant has no expense. Perhaps the landlord has been waiting for four months or a year, and there has been no rent paid in all of that time, while the case has been before the commission.

If the tenant gets the verdict, he simply stays right where he is. If the decision granted the tenant is violated, the attorney of the commission goes into the court to enforce the tenant's rights. It does not cost him a cent, if it goes to the municipal court, and on up to the court of appeals.

Now, I think that is just what ought to be done whenever the commission issues a decree to either party. It should enforce its decree, and not simply open up a series of expensive law suits for the party it has adjudged to be in the right.

Now turn to the section 108, to which I propose an amendment, to say the same thing shall be done for the landlord; that is, if a verdict is given the landlord, the commission shall go into the courts and enforce it just as it does if decree is for the tenant.

The only time the attorney for the commission goes into court to enforce a decree in favor of the landlord is when the decree of the commission is appealed from, in which case he may go into court. That has happened in only a half a dozen cases in all the history of the commission, as its attorney admitted here to-day. He said to you to-day, and he said twice to me previously, that "this as a tenants' bill." It ought to be a tenants and landlords' bill. It ought to be a bill of justice. We ought not to have the goddess of justice with only one eye blinded. Both eyes are supposed to be blinded to any favoritism, and she is supposed to be holding even scales, but in this bill the goddess of justice has one open eye—on the tenants' side.

COMMITTEE ON THE DISTRICT OF COLUMBIA,  
HOUSE OF REPRESENTATIVES,  
*Washington, Thursday, May 4, 1922.*

The committee this day met, Hon. Stuart F. Reed presiding.

Mr. REED. The committee will come to order.

**STATEMENT OF HON. CHARLES B. HOWRY, FORMERLY A JUSTICE  
OF THE COURT OF CLAIMS.**

Mr. HOWRY. I was formerly a judge of the Court of Claims.

Mr. REED. You are not connected with the Government now?

Mr. HOWRY. No. I have been a great sufferer from not being, because the rent of the house where I was paying rent at \$105 a month was jumped to \$250 a month.

Mr. REED. In accordance with the rules of the committee, the witnesses are sworn.

Mr. HOWRY. Yes, sir.

(Mr. Howry was duly sworn by Mr. Reed.)

Mr. HOWRY. Gentlemen, there are one or two things I want to speak about. I want to say this, in the first place. I represent no real estate interests other than my own. I have had no connection or conversation even with any of the real estate agents in the town. I have suffered, however, like everyone else. I am a landlord and tenant, too. I own two pieces of property on I Street immediately opposite that great Government building that houses so many, and I want to speak to the matter of profiteering. I want to say that the Saulsbury rent law and the Ball Rent Act together have cost me \$4,000 or \$5,000 in the loss of rents and in the possession of the property by tenants who would not pay and whom I could not get out except by the long and tedious processes of the law.

Mr. SPROUL. On account of your raising the rents of the tenants?

Mr. HOWRY. Not at all. I did not offer to raise the rent.

Mr. HAMMER. How did you lose the money?

Mr. HOWRY. People got in there that I could not get out, and it had been rented to them by agents without my authority.

Mr. HAMMER. Your agents?

Mr. HOWRY. My own agents; without my authority.

Mr. SPROUL. Then they did not need your authority to rent; if you had an agent and property placed in their hands they did not require authority.

Mr. HOWRY. I had to take assignment of those leases in order to bring suits. In one of my houses there was a liquor store practically, a bootlegging establishment carried on there for a long time. The evidence of it was that I could see them going in, the soldiers piling in the basement, and when I did get the woman out there was—I do not exaggerate at all when I say there was a wagon load and a half of empty liquor bottles in the back yard. My personal grievances do not affect anything, but between taxes and repairs and the small amount of rent being paid, I got nothing out of the property. I will say that I did not get 1½ per cent of the value of the property. I am not getting now over 3 per cent of the value of the property.

Mr. SPROUL. What is the property, residence or apartments?

Mr. HOWRY. They were residences, but they have come into a quasi kind of business. That street there, that block in there, is filled with I should say as many as six, certainly seven, I have not counted recently, but as many as six restaurants in that block, and I am now renting one of my houses to some very nice women and having no trouble. I have never taken anyone to the Rent Commission, but I have taken people to the municipal courts, and I had on one occasion to mandamus one of the judges of the municipal court in order to compel a writ of restitution to issue. He would not direct it to be issued. He held it up for some reason or other. I put him on the stand and got my judgment in the Supreme Court of the District of Columbia.

Here is the trouble about the present rent legislation, as I see it. The profiteering is largely carried on by a great many tenants. For instance, I will illustrate it by what occurred in my two houses. The rooms were filled with people, three and four to a room, and whereas my tenants were paying me then \$55 a month, or supposed to be paying it—

Mr. SPROUL (interrupting). For how large a house; how many rooms?

Mr. HOWRY. Nine and ten rooms, respectively. One house had 10 rooms, counting the basement as part of it.

Mr. SPROUL. All modern improvements?

Mr. HOWRY. No. The houses were quite old, constant repairs were needed, but I have kept them in first rate shape for tenants, and I respond to everything that is necessary without any trouble or any quarreling or anything of that kind.

Mr. SPROUL. Stove heat?

Mr. HOWRY. There is furnace heat in each house. One house is very well heated, not the slightest complaint, while in the other there is occasional complaint about one room. Be that as it may, I assert on information and belief and what I discovered in visiting the apartments—one woman would not let me in the house at all, but subtenants told me what was put in without my knowledge and without my consent, and some of them would not get out. Those people were getting \$250 a month. I assert that upon the information gathered from other people in the houses. One man finally got in there, a retired naval captain, and a man apparently in good health and not over, apparently, 55 years of age, certainly. He would not get out. I had a couple of Greeks in the basement where they sold little confectioneries and soft drinks, etc., and could not get those people out. I had suit after suit and one woman got in there with 30 or 40 kindergarten school children. One house is vacant now. I can not rent because of the presence of the Greeks, filthy and dirty, and everybody in the neighborhood was complaining of them, but I finally got them out under the processes of law.

I want to emphasize this, that profiteering went on there, I assert, on the best information I have got, and certainly on my belief, on information. I found that those people were getting \$250 a month each, for those houses where they were paying me \$55.

Mr. REED. Had they added some furniture?

Mr. HOWRY. Not a bit; not the slightest, except such as they rented. One woman rented the eastern house and she carried some furniture in. The other woman scarcely had any furniture except as she picked it up. I never got a sight into the rooms except one of them, and that tenant had taken in his own furniture, as he informed me.

Mr. REED. I understand that the house was rented by you unfurnished.

Mr. HOWRY. Yes.

Mr. REED. And the theory is that those people rented the rooms out furnished?

Mr. HOWRY. They would furnish them up very slightly. One woman there had hardly anything.

Mr. REED. Did the owner rent them unfurnished, and allow the subletter to bring in furniture?

Mr. HOWRY. Yes. The profiteering went on there; and I say this, that I am not here to argue that. The committee has doubtless made up its mind about it. Be that as it may, I am ready to abide by whatever is done.

My second observation, outside of the tenants profiteering—and I know of other instances where the tenants were profiteering, and not the owner of the house—and I assert that because it applied strictly to my house, is that I was assessed on two-thirds of the value of the house. I was assessed on the two \$36,000, and on that, during the tenancy of those people, I did not get 2 per cent, while the property is gradually coming into notice as quasi-business property. I may say that it is being rented, or one of them is being rented, as a cafeteria, and, therefore, it is considered semibusiness property. It is not bringing me, estimating for what I have to pay in taxes and repairs, over 3 per cent. Now, there is no complaint against me by anybody about the amount of rents, never has been, and I simply want to call the attention of the committee to the fact of the profiteering being carried on by tenants.

I have another suggestion to make to the committee, that it is all very well to say you have got a chance to go before the Rent Commission or before the municipal court and get into the upper courts, but when you take into consideration the fact of the long delays it is tantamount to a refusal to give the owner his rights. Some people got in there, and I have got one house locked up now after getting out a woman who did not pay for four months' rent and who is behind up to date \$600 rent on it. I will not rent that at all until I select my person whom I think I will have no trouble with. I think there ought to be surrounding this Rent Commission some better information. It is impossible for these people to act impartially and justly with the information that they take. They know of a particular piece of property that is described to them, but there ought to be added to that, in my judgment, put before the Rent Commission, the information as to the rental value of the property, the situation by reason of its coming into business, and the value of the surrounding property about which there is no trouble. There ought to be a couple of professional men.

Mr. REED. Have you read this new bill that provides for inspection of various kinds?

Mr. HOWRY. No; I have not had the opportunity.

Mr. REED. I think your points are covered in the bill as far as that is concerned, and other matters have been called to the attention of the committee along the line that you have just mentioned, particularly as to securing your rents.

Mr. HOWRY. I think if there was an auditor's report made to the court after it gets into the appellate court, instead of delaying the owner of the property one and two years or an indefinite time and having them swarming around there waiting for a chance to be heard—if there was an auditor's report on the matter of valuation, it could be disposed of in the appellate jurisdiction without a great deal of delay and without a great deal of trouble; it would be a matter of five minutes, maybe. There seems to be now building up a tenant class here, and there is a class of nice people tenants, ladies and gentlemen as much as anybody. At the same time there is a great class here who live off of people that have got something.

Mr. REED. That is not germane to this legislation. Every city has them. Mr. Gude, for whom we sent, has arrived and is ready to testify. Is there anything further you want to bring before the committee?

Mr. HOWRY. Nothing except that I should say there ought to be professionals, even if you have a real estate agent. The majority could overrule him. He could give information. Even if you put a real estate agent on the board and a lawyer, it would do more to subvert the ends of justice between landlord and tenant than anything. I am obliged to the committee for listening to what little I have had to say.

#### STATEMENT OF MR. WILLIAM F. GUDE, RENT COMMISSIONER.

Mr. MILLSPAUGH. You are already a sworn officer?

Mr. GUDE. Yes, sir.

Mr. MILLSPAUGH. I will just ask Mr. Gude to give the committee the benefit of his observations or experience with the Rent Commission. You have been on it how long?

Mr. GUDE. Nearly a year in May, this month.

Mr. MILLSPAUGH. You can make it just as brief as you care to or go as far as you like.

Mr. GUDE. It would seem from my observation that there was as much need for the Rent Commission to-day as there ever was.

Mr. MILLSPAUGH. Was there a need for it before, do you think?

Mr. GUDE. Yes, sir; positively.

Mr. MILLSPAUGH. You think so?

Mr. GUDE. Yes, sir; because we have here a good many Army men, majors and colonels, and captains who are allowed so much per day maintenance, and in many instances there has been something said here about signing the leases. They are compelled to sign a lease under duress. Of course, that is not nice, and I am just as loyal an American as anybody can be, and I am as loyal as an Army officer who takes an oath; but there has been some reflection tried to be cast upon these Army officers who may break leases. But when a man comes here he is out in the street with his wife and family, and he has to pay \$200 a month for meager accommodations where the accommodations are worth only about \$50 a month, you can readily understand that in such a case the man is justified in breaking his lease.

And so, with the poor widow with her son, out on Fifteenth Street, away out northeast a house that cost probably thirty-four hundred or thirty-five hundred dollars to build and is rented for \$125 a month. Thirty-five or forty dollars would be a fair and reasonable rent for that house, although with the conditions, etc., I think we allowed \$75 for that house, and with the conditions to go with it, it is ample and sufficient for all needs.

Now, there has been a good bit said about fixing the rents in apartments. I have in mind the Rockingham Apartments. In that apartment we found some apartments that were really uninhabitable and a man had to live in there because it was all he could find, could not find anything else; it is easy to say, if you do not want it leave it and move out elsewhere. They can not go elsewhere. The demand for apartments renting from \$35 to \$75 a month is as great to-day as it ever has been. As I started to say, in fixing those rents, call it penalizing if you may or if you will, but there should be something done and there must be something done. The law distinctly states that the rental of the property should be fixed in accordance with what the condition of the apartment is found in at the time the inspection is made. In the Rockingham Apartments we found the plaster down, the water leaking in, the ceilings cracked, the gas range out of order, the water pipes leaking, and all those conditions could be taken into consideration and there, of course, we disregarded the 8 per cent which we try to allow to everybody in all fairness and wherever we can, 8 per cent or more.

Mr. MILLSPAUGH. You really did penalize them for the condition of the apartments?

Mr. GUDE. Call it that if you like. The same condition prevailed in Senator Walsh's apartment. Senator Walsh's apartment, about which there has been so much

said, we went through it and we found the ceiling cracked, a hole in the wall, and the owners, I believe, did not want to make any repairs there because he was paying a low rent. We did not feel justified in raising that rent as high as others. The owners have a perfect right to put that apartment in shape and then come to the Rent Commission and the Rent Commission would fix a fair and reasonable rent when the apartment was put in shape.

Mr. MILLSPAUGH. You would not say that Senator Walsh has ever asked for repairs?

Mr. GUDE. Not to my knowledge.

Mr. MILLSPAUGH. You would not say the owners have refused repairs?

Mr. GUDE. That I do not know.

Mr. MILLSPAUGH. He made no such complaint before the commission at all?

Mr. GUDE. Not to my knowledge.

Mr. MILLSPAUGH. What basis did the commission use in determining this difference? I call it favoritism in Senator Walsh's case of \$50 a month.

Mr. GUDE. None, but finding it in a wretched condition as compared with the other apartments.

Mr. MILLSPAUGH. Fifty dollars a month is rather steep for that. Would you not as a business man feel that that was rather steep?

Mr. GUDE. No; I can not say that I would, having in mind that all that was necessary was to put in the necessary repairs and then come to the Rent Commission and the Rent Commission would fix it at once.

Mr. MILLSPAUGH. Can you tell what member of the commission first suggested advancing the hearing of the Meridian Mansions case out of its place on the docket?

Mr. GUDE. I do not think it has been advanced.

Mr. MILLSPAUGH. I think the testimony shows that, that it is out of its order on the docket.

Mr. GUDE. I think that Mr. Sinclair did.

Mr. MILLSPAUGH. Would you say positively to the Committee that the commission was in no wise influenced in taking up the Meridian Mansions by the fact that it was occupied by Senators and Representatives in Congress?

Mr. GUDE. Positively not.

Mr. MILLSPAUGH. Not as far as you were concerned?

Mr. GUDE. Not as far as I am concerned.

Mr. MILLSPAUGH. No Senator or Representative in any way approached you about the matter, either orally or in writing?

Mr. GUDE. Not to the best of my knowledge and belief.

Mr. MILLSPAUGH. You have no idea that Mr. Sinclair or Mrs. Taylor were influenced in any way?

Mr. GUDE. No, sir; I have not.

Mr. MILLSPAUGH. Did you go with the commission to the Meridian Mansions?

Mr. GUDE. I did.

Mr. MILLSPAUGH. Did you concur in their finding on the rent of Captain Oyster's apartment, reducing it \$30 a month on account of the cockroaches?

Mr. GUDE. I do not remember what the condition was, but the rear apartments on account of the gasoline and the entrance to that garage being under there.

Mr. MILLSPAUGH. I think that Mr. Sinclair and Mrs. Taylor testified that the \$30 difference was made on account of the cockroaches in the apartment, because it was over the servants' quarters.

Mr. GUDE. That I do not recall.

Mr. MILLSPAUGH. One of them testified to it?

Mr. GUDE. I do not recall that.

Mr. MILLSPAUGH. You did not fix that difference of \$30 on account of the cockroaches?

Mr. GUDE. No, sir; I did not.

Mr. MILLSPAUGH. Did you hear Mr. Hagner's testimony yesterday?

Mr. GUDE. I was not here yesterday.

Mr. MILLSPAUGH. Mr. Hagner testified that in a new apartment that had not been occupied over six months the lady made a complaint because of a bent speaking tube that was bent in installation and the commission reduced that \$2.50 a month on account of that tube. As a business man, that would not meet with your approval, would it?

Mr. GUDE. No, sir; it would not.

Mr. MILLSPAUGH. You are a florist, I believe?

Mr. GUDE. Yes, sir.

Mr. MILLSPAUGH. What would you say was the difference in the price of roses now as compared with the before-the-war prices?

Mr. GUDE. About double.

## 180 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

Mr. MILLSPAUGH. How much has been the increase in the production of flowers as between before the war and now?

Mr. GUDE. Not any; it has been decreased.

Mr. MILLSPAUGH. What is the difference in the price, then?

Mr. GUDE. It is probably double.

Mr. MILLSPAUGH. Why?

Mr. SPROUL. I do not think the gentleman understood you. You are paying more for help and more for coal and it is costing you more to produce roses now than it did in 1916?

Mr. MILLSPAUGH. Possibly you do not understand the question?

Mr. GUDE. I am pretty familiar with the Washington business, being Washington representative of the Florists Association of the United States and I had to do with the coal when the Government cut us down, nearly cut us entirely out of the use of coal.

Mr. MILLSPAUGH. My question was, how much more does it cost to produce flowers now than before the war?

Mr. GUDE. Probably twice as much.

Mr. MILLSPAUGH. You answered no more. You did not understand my question.

Mr. GUDE. No greater production.

Mr. MILLSPAUGH. You misunderstood my question. You said the price about doubled, and do you feel then that florists are not in this 100 per cent increase. They are not profiteering?

Mr. GUDE. No, sir; positively not, for the reason that a great many have gone out of business.

Mr. MILLSPAUGH. A great many landlords have gone out of business and sold their apartment houses, have they not, between pre-war times and now?

Mr. GUDE. Yes.

Mr. MILLSPAUGH. In the building of apartment houses, do you not figure that it takes from 100 to 150 per cent more to build now than it did before? Would you not think that?

Mr. GUDE. Not 150 per cent more now.

Mr. MILLSPAUGH. The materials all enter into it.

Mr. GUDE. Probably 50 to 75 per cent more.

Mr. MILLSPAUGH. Would not the materials entering into it and the cost of labor and the difference in efficiency of labor?

Mr. GUDE. No; not that per cent.

Mr. MILLSPAUGH. It would not run that high?

Mr. GUDE. No.

Mr. MILLSPAUGH. How much would you figure that the service has advanced in apartment houses, the cost of service?

Mr. GUDE. 100 per cent.

Mr. MILLSPAUGH. So that an apartment that was renting for \$50 before the war, then \$100 really would not be unreasonable?

Mr. GUDE. Well, I should say \$75 would be more reasonable, more like it.

Mr. MILLSPAUGH. Would you say they were profiteering or not before the war?

Mr. GUDE. No.

Mr. MILLSPAUGH. If flowers cost double the amount to produce and the price has been doubled, if the service in an apartment house is doubled over what it was before the war, and the increase in building repairs, will run from 75 to 100 per cent, why would not they be justified in increasing their rent 100 per cent?

Mr. GUDE. For the reason that flowers are of a perishable nature.

Mr. MILLSPAUGH. I do not see where that comes in at all. What is the difference.

Mr. GUDE. Yes; it does, in this respect: If you missed Easter by 48 hours your production is worth about, probably, one-fourth of what it would be worth before the 48 hours.

Mr. MILLSPAUGH. But they were perishable before the war just as now.

Mr. GUDE. That is why so many people went out of business on account of the coal situation.

Mr. MILLSPAUGH. How were they forced out of business?

Mr. GUDE. By the Government denying them coal.

Mr. MILLSPAUGH. But it does not now.

Mr. GUDE. No; but you do not understand that if a greenhouse temperature goes down for 15 minutes it is all off?

Mr. MILLSPAUGH. Yes.

Mr. GUDE. It is for that reason that a large firm shut down one-half of the plant. We shut down one-half of our plant, and a great many people did so, and some went out of business entirely.

Mr. MILLSPAUGH. For the past two years you have been able to get coal.

Mr. GUDE. But they have not been able to recoup their losses.

Mr. MILLSPAUGH. Neither have the apartment houses been able to recoup theirs. Their service has cost them just the same now as during the war times, or practically the same.

Mr. GUDE. But the building and contents is there, just the same as it was before the war.

Mr. MILLSPAUGH. As to business property, you are a business man. Do you believe that business property ought to be included in this bill or not? Let me make that plainer. In view of the fact, as brought out in some testimony yesterday, when you were not here, that a great many business leases are made on the basis of 5 or 10 years instead of 1 year, as in residence property, is it not a fact that there are so many fluctuations in the value of a business property from year to year, that it would be a very difficult matter to apply a rent law on business property in the District?

Mr. GUDE. I do not know that but I believe business property should be included in the bill.

Mr. MILLSPAUGH. Do you believe that the Government ought to create commissions to deal with profiteering—to deal with profiteers generally?

Mr. GUDE. I do not know. In most cases they regulate themselves, it seems to me.

Mr. MILLSPAUGH. Why single out the renters? Is not a man's beefsteak just as important to him as the place he lives in?

Mr. GUDE. There is hardly anything so important as a roof over his head, in my estimation. That is an all-important item.

Mr. MILLSPAUGH. If he has a roof he can do without food.

Mr. GUDE. If he can not buy beefsteak he can buy cheaper food.

Mr. MILLSPAUGH. If it is all high, what is the difference? He has to clothe himself—has to wear clothing.

Mr. GUDE. I think bread is regulated.

Mr. MILLSPAUGH. The law does not allow us to go without clothes. We have to clothe ourselves.

Mr. GUDE. Bread is regulated. Public utilities are.

Mr. MILLSPAUGH. I am talking about clothes.

Mr. GUDE. If you can not wear a \$100 suit you can wear a \$50 suit.

Mr. MILLSPAUGH. You are a business man, a florist, and, I believe, represent the florists' organization or association?

Mr. GUDE. Yes, sir.

Mr. MILLSPAUGH. If a law were proposed to regulate the florists and the prices of flowers, would not you bitterly oppose it?

Mr. GUDE. Personally, I do not think I would.

Mr. MILLSPAUGH. You are pretty well fixed, financially, and you could afford to retire.

Mr. GUDE. No, sir; I can not.

Mr. MILLSPAUGH. How about florists that had to depend on it?

Mr. GUDE. I work harder than I ever did in my life.

Mr. MILLSPAUGH. I am glad to hear it. There is hope for me.

Mr. GUDE. To keep the men going we have got in our employ.

Mr. MILLSPAUGH. Do you rent your store or own it?

Mr. GUDE. We have rented it.

Mr. MILLSPAUGH. How much is your rent increased?

Mr. GUDE. From \$4,443 a year to \$8,000 a year, and three years ago increased to \$10,000 a year.

Mr. MILLSPAUGH. When did you renew your lease?

Mr. GUDE. Three years ago, the 1st of October.

Mr. MILLSPAUGH. There has been a great difference in value of property in that time?

Mr. GUDE. There is, but now I am told by hearsay that the building is now renting at \$19,500 a year.

Mr. MILLSPAUGH. So that there is fluctuation in business property?

Mr. GUDE. On F Street, yes, sir; and on Fourteenth Street, and a number of business streets.

Mr. MILLSPAUGH. When will your lease expire?

Mr. GUDE. The 1st of October.

Mr. MILLSPAUGH. Will you have to move out?

Mr. GUDE. Yes, sir; I bought the building next door.

Mr. MILLSPAUGH. You will move next door?

Mr. GUDE. Yes, sir.

Mr. MILLSPAUGH. So you will not have to be a tenant any longer?

Mr. GUDE. I hope not.



Mr. MILLSPAUGH. What do you think about hotels? Do you think hotels ought to come under this law?

Mr. GUDE. No; I do not think so.

Mr. MILLSPAUGH. Not at all? You have read over the recommendations of the District Commissioners, have you not, or heard them discussed here?

Mr. GUDE. Yes, sir.

Mr. MILLSPAUGH. How do you feel toward these recommendations in view of the fact that those three men are really the executives in charge of the District and supposed to be men of experience and judgment?

Mr. GUDE. I think the bill is very well as it stands with the exception of the hotel proposition; I am not committed to that.

Mr. MILLSPAUGH. Do you not think some arrangement should be made to safeguard the landlord as to the impounding of rents while the matter is appealed by the landlord before the commission or in hearing?

Mr. GUDE. I did not quite get that, speaking of hotels now.

Mr. MILLSPAUGH. No; I am talking about impounding of rents, if the commission reduced a rent.

Mr. GUDE. Yes.

Mr. MILLSPAUGH. And the renter refuses to pay, and the landlord refuses to accept that reduced rent, do you not think that some arrangement should be made that the tenant should either give bond or have the difference impounded so as to protect the rights of the landlord, the same as the tenant.

Mr. GUDE. That is absolutely true and is the case at present.

Mr. MILLSPAUGH. You will find that the law does not protect him.

Mr. GUDE. In 30 days you can get him out through the Municipal Court.

Mr. MILLSPAUGH. No, I beg your pardon. The evidence is all to the contrary. I cite you a case. Suppose the rent is reduced \$25 a month?

Mr. GUDE. Yes, sir.

Mr. MILLSPAUGH. And the case is appealed.

Mr. GUDE. I see what you mean. You mean the difference between the \$75 and the \$50 a month?

Mr. MILLSPAUGH. That is what I mean.

Mr. GUDE. That should be paid into a bonding company.

Mr. MILLSPAUGH. Or else the tenant give bond to pay the difference if the case goes against him.

Mr. GUDE. Absolutely; I think that is correct.

Mr. MILLSPAUGH. That would not be unfair.

Mr. GUDE. No, sir; I think not.

Mr. MILLSPAUGH. As to the other recommendations of the commissioners, do you not feel also that that recommendation of the commissioners, that some method should be adopted that would permit a bona fide owner to occupy his property, or something done to protect him?

Mr. GUDE. Yes, I do, but it is so hard to find the bona fide owner. There are so many snide sales here that it gives us more to do than any other one thing we have to contend with.

Mr. MILLSPAUGH. Yes, but the innocent should not suffer.

Mr. GUDE. It is the hardest thing we have to deal with. For instance, right now there is a case in point on Shepherd Street, a young man who is secretary to one of the Congressmen and has a wife and five children. The house he is living in is owned by a woman with three children who has bought the house and claims she has bought it, but we found out when we come to investigate that she has bought different houses to speculate with them. To know just whether she wants it for herself, for her regular bona fide use and occupancy or not is a very hard thing to decide, with a widow woman with three children on the one hand and a young man with five children on the other. Neither one has a place to go. The man has no place to go and pays \$75 a month for that house there. I believe it is true that the woman has a place to live because she has got her children in school. In that case it is very hard to find whether she really wants that for her own use and particularly since she has offered the place for sale in the last two months.

Mr. MILLSPAUGH. How would this apply that if a man bought a house, or a woman, and made affidavit before the commission that they wanted it for their own occupancy and then if they did not occupy it for a stated length of time that the commission prosecute them. Would not that safeguard it?

Mr. GUDE. If they could make it strong enough so that the commission would have a right to prosecute.

Mr. MILLSPAUGH. Put all kinds of teeth in it. That seems to be a favorite expression now. "to put teeth in it."

Mr. GUDE. I will give you a case in point. A man rents a house at \$150 a month, for a house that rented before the war for \$27.50. The Rent Commission has not anything to do with this, but the house came into the Rent Commission from the fact that Dr. Ballou, school superintendent, was paying \$135 a month and because he would not pay \$150 a month, preferred to move out rather than to pay that, to move out. The woman was renting the house for \$150 a month and you had to pay that or move to another house and they moved out rather than pay the rent of \$150 a month.

Mr. MILLSPAUGH. The law I suggested would obviate that.

Mr. GUDE. It is very hard to find the bona fide owner.

Mr. MILLSPAUGH. You heard the question that I propounded, that if a man made affidavit that he was going to move in and unless he did move in and reside in it for a stated length of time to be provided in the bill that it be the duty of the Rent Commission to prosecute him. Would not that put a stop to it?

Mr. GUDE. I think that would be wise.

Mr. MILLSPAUGH. I want to be fair in this.

Mr. GUDE. There are several cases on hand just like the one I cited just now, of Mr. Ballou, only that this was just far enough advanced and we did fix the rent of that house finally on our own initiative when we learned that the house had been rented for \$150 a month.

Mr. REED. Do you think we should have a rigid law, or rule of that kind? Suppose a military man and suddenly within a week he is assigned to a post in New York but had bought a house thinking he was going to be in Washington and had in good faith demanded possession of the tenant?

Mr. MILLSPAUGH. Leave it to the discretion of the court. I would safeguard it by putting it in the discretion of the court. Would you not think that would be safe?

Mr. REED. You certainly can not make a rigid law. Things in this world of ours are always happening to change one's plans and intentions.

Mr. MILLSPAUGH. That is an objection I have to this law. It is rigid as far as the landlord is concerned, even going to the extent of penalizing a widow woman to the extent of a thousand dollar fine and imprisonment if she neglects some simple little service in an apartment, but you do not want to put any restrictions on the tenant. He has some obligations?

Mr. GUDE. You have a case in point right now, as the chairman has stated, of a death in a family.

Mr. MILLSPAUGH. The court could take consideration of that.

Mr. GUDE. They could; but it is so hard to know just what is the right thing to do.

Mr. MILLSPAUGH. Is not it better to do that than to work a hardship on so many innocent people, as is the case now? You would have fewer innocent sufferers.

Mr. GUDE. I think that is true.

Mr. MILLSPAUGH. As a business man, you feel that?

Mr. GUDE. I try to be absolutely fair.

Mr. MILLSPAUGH. Do you not think that the commission at least committed an error of judgment in taking up the Meridian Mansions case, occupied principally by Senators, Representatives, and millionaires, when so many cases of poor people were unheard on the docket of the Rent Commission, in the light as you can see it now?

Mr. GUDE. You must remember I can not admit that the commission committed an error of judgment or committed an error in taking up the apartment house when the conditions are as explained; that is, there was a double-header there, so to speak. Here are the landlords on one side with a complaint to have the rent raised and pressing to have the rents raised, and there were the tenants on the other side pleading to have the rents reduced. That thing was almost staring us in the face—a great bugaboo, a nightmare—and the only thing for us to do was to take it up and get rid of it. When it comes to taking cases out of place, I want to say right here, although I may be wrong, that a great many possession cases I have personally taken up out of place where it meant an hour or so to decide it one way or the other. It is a question of sufficiency of notice—a man wants possession where his case is two or three months old; he does not want to wait three or four months to know whether that notice is sufficient. In our estimation the thing to do is to let that man know right then and there whether he has the right or whether he has not.

Mr. MILLSPAUGH. Is it not a deplorable condition when Senators, Representatives, and millionaires on the one side and landlords on the other side can so harass a commission and give them the nightmare, and poor people are neglected? Is not that a deplorable state of affairs?

Mr. GUDE. I can not just see that; simply the cases are coming in too fast to take care of them.

Mr. MILLSPAUGH. That does not answer me. You state that the pressure from the landlords on the one side and these Senators and millionaires on the other, gave the commission nightmare and they had to hear them. Is not that wrong to forsake the poor people and their needs and take up the cases of those fellows who have got money and are persistent before the commission? That is the position I am taking.

Mr. HAMMER. If one of us were to engage in this sort of thing it would be called demagoguery. It has been done with this witness and every witness, talking about being mistreated by this commission. I do not believe the gentleman thinks that is true. He just singles out one instance and asks a man if he does not think it is wrong to discriminate against poor people. Of course it is wrong. The rich are entitled to the same privileges as well as the poor.

Mr. MILLSPAUGH. No better.

Mr. HAMMER. No better.

Mr. MILLSPAUGH. I really think that Mr. Gude can answer the question as I put it.

Mr. HAMMER. I object to the way this thing is going. I think it has been done with nearly every witness that was on the stand, treated with very little courtesy. There has not been any such tactics as that in our treatment of the witnesses of the opposite side. Everybody appearing before this committee has been singled out and put on the stand, asked about the efficiency of the rent law, and their integrity is impeached, and their honor is beclouded, and their character and their acts.

Mr. MILLSPAUGH. When you get ready, I will proceed.

Mr. HAMMER. I am not going to sit here and have people told that they are not acting in good faith.

Mr. MILLSPAUGH. Mr. Gude can respond to my question.

Mr. HAMMER. He is here as a witness and is entitled to courtesy in the conduct of the examination.

Mr. MILLSPAUGH. I will have to collect my thoughts. The interruption coming as it did takes my mind off of the subject, but I will come back to it.

Mr. GUDE. Perhaps I can help you. It was a question of whether the poor should be discriminated against as against the rich. Well, I have to say that I have been a poor man all my life time and not a rich man now, and having to do with the poor, my sympathies always have been with the poor—what you may call the down-trodden class—and are yet. I can not see that we are discriminating in the case, if we took up the apartment houses, and as I look at it, I do not think that they were out of order as they were taken up. I do not think they were taken up out of their regular order, as from the time those complaints were filed and after those complaints were filed many other complaints were filed, and there was nothing for us to do except fix the rent in the whole apartment on our own initiative. As far as poor people are concerned, take the case of the Chastleton apartment house, which is supposed to be a rich people's house, but there are just as many poor people living there who do not make ends meet, and so much has been paid about the Chastleton case. They could not find any other place to live. They are poor people making \$150 a month and paying \$75 a month rent for one room and bath.

Mr. MILLSPAUGH. I agree with you on that. I have not covered my question yet. You just stated in your testimony that the commission was harassed by the landlords on the one side and Senators, Representatives, and millionaires on the other until it gave the Rent Commission a nightmare and they had to take up these cases. You testified to that. Now, then, the point is do you think it was an injustice, to say the least, to these poor people, whose cases have been pending since last August and September, to do that thing? In other words, the commission ought not to be influenced by those people even though they do have a nightmare over it.

Mr. GUDE. I do not know how to answer that question.

Mr. MILLSPAUGH. I do not think you do, either.

Mr. HAMMER. Permit me, Mr. Chairman, or Mr. Millsbaugh, to interrupt. Don't you think that if you had a case before this commission and handled it as vigorous as you are after these millionaires and Senators, as vigorous as you are here, don't you think he would have a nightmare to get rid of you. He would displace every case on the calendar and discriminate in order to get rid of you.

Mr. MILLSPAUGH. But as my friend Humphrey says, I do not believe that they should "bend the pregnant hinges of the knee."

Mr. REED. Proceed.

Mr. MILLSPAUGH. In your year of service on the commission, have you not found that the commission is, at least, inclined to take cognizance of technicalities in the case of a tenant that they are not in the case of a landlord? For instance, last fall when Mr. Sinclair was on the stand and Mrs. Taylor, I asked them about the question of a notice for possession and all that I could get out of them was that if the lease had run for 29 days and then some little technicalities of the notice occurred, the crossing

of a "t" or the dotting of an "i", that the tenant would be given the advantage of that little technicality and the impression I gained was that while the commission was appointed for the purpose of dealing with the landlord and with the tenant fairly, that really it is known as the tenant's court.

Mr. GUDE. I have felt from the day that I went on the commission that there was entirely too much technicality to contend with.

Mr. MILLSAUGH. I think you are right.

Mr. GUDE. They may have to do it on account of the legal end of it, but I am not a legal man, and therefore do not know and can not say. There is a legal point of view.

Mr. MILLSAUGH. There is where you and I agree. I am not a legal man and not a lawyer, but I just agree with you absolutely there. We have a case here, No. 4316, which happens to be that the landlord in that case is a colored man, and the complaint was that the tenant instead of signing the complaint had his wife bring the action, and it appears that when the case came up for hearing that the landlord was a colored man and stated that the complaint was not in proper form, probably an evasion, and at the hearings then and there the commission granted it and proceeded to hear the case, but if the tenant had done that the commission would have postponed it. There are technical matters of that kind that ought not be permitted to be in these hearings in a commission of the nature of the Rent Commission so as to do justice to all sides. Those technicalities should be brushed aside. I claim that they ought to be brushed aside in the case of a landlord the same as in the case of the tenant.

Mr. GUDE. They are to the best of my knowledge and belief.

Mr. MILLSAUGH. Maybe it is the case of a lack of legal training on my part. I can not say.

Mr. GUDE. They are to the best of my knowledge and belief in every case of the landlord and tenant.

Mr. MILLSAUGH. But you think there are more technicalities than necessary?

Mr. GUDE. More technicalities than what are healthy.

Mr. MILLSAUGH. I do not believe I care to ask the witness any more questions.

Mr. GUDE. I might add that so many people come here. They may be good, bad, or indifferent, but they are all kinds here apparently.

Mr. MILLSAUGH. Yes.

Mr. GUDE. And on technicalities no human being ever thought they would come up; they sidetrack a case on one side or the other. Frequently we have had as many as 10 cases go by one way or the other for postponement on the matter of technicalities used to try to sidetrack the case.

Mr. MILLSAUGH. From both sides?

Mr. GUDE. Absolutely from both sides, from the landlord side and the tenant side.

Mr. MILLSAUGH. One more question. Don't you think I have been eminently fair with you?

Mr. GUDE. Positively so.

Mr. MILLSAUGH. Have I asked you any questions that I ought not to have asked you?

Mr. GUDE. No, sir.

Mr. MILLSAUGH. That is what I think.

Mr. LAMPERT. You are an old resident of Washington?

Mr. GUDE. Yes, sir; lived here 52 years.

Mr. LAMPERT. In your opinion, do you think that the necessity for the continuation of the Ball Rent Law exists to-day just the same as it did when it was first passed?

Mr. GUDE. Positively just as much to-day as it ever did, in my estimation, and I think by all means that it ought to be extended for two or three years, not to keep me in a job.

Mr. LAMPERT. I asked you the question, but I did not ask the other two members of the committee, because I did not think anybody could charge you with the fact that you were looking to keep a job.

Mr. GUDE. Yes, sir; and you can readily see how many leases are made and how many people are just waiting for the rent law to go out of existence to put 8,000 people on the streets.

Mr. LAMPERT. You think that business property ought to be included, do you?

Mr. GUDE. Yes; I do, from three or four cases that have come to my personal observation.

Mr. LAMPERT. From your experience as a member of the Rent Commission, what changes would you suggest making to the bill as it passed the Senate, if any?

Mr. GUDE. Not any. I would leave the hotels out.

Mr. MILLSAUGH. I believe you suggested two or three minor amendments, did you not, that I asked you about?

Mr. GUDE. Yes; one or two.

Mr. MILLSAUGH. Impounding the rents and questions we are all agreed on, I think.

Mr. REED. Do you think a fair and intelligent administration of the rent law along the lines that you have been enforcing this law is an unnecessary hardship on the owners of real estate here?

Mr. GUDE. Absolutely and positively, no.

Mr. REED. A fair commission will attempt to give the owners of real estate a fair return upon their investment will it not?

Mr. GUDE. Yes, absolutely; as evidenced by the fact that the largest real estate owners here have never been before the Rent Commission.

Mr. REED. It has been currently reported that the rent law as it has been enforced is very much favored by the real estate men who build houses for sale, that they are building more houses now than ever; more permits are being issued than ever before, they are building and have built in spite of the high prices and there had been an unusual building activity here recently. That they, the real estate men, want the rent law continued because it furnishes them a more certain market and instead of building for rent they build to sell. Is that true?

Mr. GUDE. That may be true. I have heard that realtors have advocated that, but I do not know of any real estate dealers who have built houses primarily for rent either now or for 10 years past.

Mr. REED. Then they always have built primarily for sale?

Mr. GUDE. They built to sell them.

Mr. MILLSAUGH. You did not hear Mr. Hagner's testimony yesterday?

Mr. GUDE. No, I did not.

Mr. REED. Do you think when a man builds a house and finds that he can not at once sell it and obtain his price for it, he is deterred from renting it for a year or part of a year because of the fact that if he gets a tenant in he can never get him out and is unable to sell the house when a purchaser is found?

Mr. GUDE. I think there is nothing to it. I have a case in mind like that now where a man rented a house.

Mr. REED. What the Chair wants to do is to get right down to business; to get at the real facts of the administration of this law. We are not here to try the Rent Commission for mistakes it may have made. Such things happen under any law, but we want your opinion as to whether this law has any defects, whether the provisions of the law are fair nor not; and what amendments are advisable to make it fair to the man who owns real estate. Undoubtedly the man who has made money and wants to invest it in Washington should not be called a profiteer and branded as an undesirable citizen. He ought to be welcomed to Washington as a desirable citizen; he ought to have a reasonable return on his investment while he is contributing to the growth of the city.

Mr. GUDE. I think so. Might I add just one statement. I think it has been said from hearsay at least, it has been said before this committee that the Rent Commission dilly-dallied and fooled away a whole lot of time. I want to say that we go into session every morning at 10 o'clock and sit until we are through and hear 20 cases and frequently until 6 or 7 o'clock at night and have gone as late as 8 or 9 o'clock at night inspecting houses, and we frequently meet on Saturdays. The other day when every other department of the Government had a holiday we stayed on the job until a quarter after 6 o'clock that evening when we got through with a case that we were trying.

Mr. REED. I think that is all.

Mr. HAMMER. I want to ask one question right at this time about an amendment of Mr. Sinclair.

#### **ADDITIONAL STATEMENT OF MR. A. LEFTWICH SINCLAIR, RENT COMMISSIONER.**

Mr. REED. Proceed.

Mr. HAMMER. When this matter was first called to my attention, I was very decidedly of the opinion that there ought to be a provision made to impound the rent or for the tenant to give a bond, but after investigating the matter I find that I was mistaken about the operation of the law to a certain extent, that the tenant when you changed the rent or lowered it, that is the law until the Supreme Court reverses it.

Mr. SINCLAIR. Until the court of appeals changes it.

Mr. HAMMER. I mean until the appeals court reverses you.

Mr. SINCLAIR. Yes, sir.

Mr. HAMMER. Therefore, to require the impounding of the excess rent would be requiring the tenant to do something that the law absolutely says that he did not owe it until there is a reversal.

Mr. SINCLAIR. Yes, sir.

Mr. HAMMER. I wanted to call your attention to what I consider a very great defect in the law in the District as to repossession, and ask you what you think about that. For instance, if a landlord and owner wants repossession of the property for his own use or to rebuild, in doing so he serves a notice. Under the general law according to the construction of it, in most jurisdictions all, as far as I know, if he accepts rent after the notice then it operates to prevent his securing a repossession of his property.

Mr. SINCLAIR. It amounts to a withdrawal of the notice that he served.

Mr. HAMMER. Yes. What I wanted to ask you was if you did not think we ought to make a provision in the law, to say that an acceptance of the rent thereafter would not be a withdrawal of the notice and that then the landlord could go in the municipal court and eject the tenant from this tenancy during the pendency, as for four or five or six months it might be pending in the court, and thereby enable himself to protect himself from a bankrupt tenant?

Mr. SINCLAIR. I think that would be eminently fair.

Mr. HAMMER. That is certainly a provision that is worth more than any other provision you are talking about. I do not object to the other, but I do not see the necessity for it that I did. My first idea was to require the tenant to pay in the amount of rent that was fixed or agreed upon, to require him to pay the excess rent. That seems a little inconsistent. While I do not object to the other, certainly there ought to be provision to protect the landlord and to provide that his acceptance of the rent after that would not be a waiver. The reason the landlords do not sue for ejectment is that it would defeat the very purpose of their suit.

Mr. SINCLAIR. I would favor such an amendment, and an amendment to the effect that the acceptance by the landlord of rent after the service of the notice or after the expiration of the notice to quit should not be treated as a withdrawal or waiver of the notice.

In reference to this proposition of giving a bond by the tenant or impounding the difference between the rent fixed by the Rent Commission and the rent formerly paid, I want to say that to require either of those things would involve the presumption in every case that the Rent Commission had erred in the fixing of the rent.

Mr. HAMMER. Still I do not object to it, but this other is an absolute necessity to protect the landlord against irresponsible tenants.

Mr. SINCLAIR. I think that is a wise suggestion.

Mr. REED. For instance, the Rent Commission has fixed a rent of \$60 on an apartment or house and the landlord wants \$75; there is a difference of \$15 per month; the tenant would pay the \$60 each month, and let us say in four months the \$15 excess would amount to \$60 if the case is decided in favor of the landlord. Right at that moment the tenant owes \$60 back rental, and unless he pays, he is in arrears and could be dispossessed; will he not pay it rather than get out?

Mr. HAMMER. My idea first was to impound the rent that was fixed by the commission and not impound the rent claimed by the tenant.

Mr. REED. I think the landlord should get his rent or be given possession of his property.

Mr. SINCLAIR. The average tenant would pay his rent rather than surrender the premises and feel that he had to move, if the case was decided against him in the court of appeals. It seems to me it is more imaginary than real in view of the present rental situation here in Washington.

Mr. HAMMER. That is all I wanted to ask you. I wish you would prepare an amendment for me or for the committee and submit it for consideration.

Mr. SINCLAIR. I shall be very glad to do so.

Mr. HAMMER. As to this question especially of withdrawal for repossession, right here you do a very grave injustice against the landlord.

Mr. SINCLAIR. That could be very properly taken care of.

Mr. MILLSAUGH. You answered Mr. Hammer in regard to impounding the rent that that would be taken as an intimation, at least, that the Rent Commission was wrong. I think Mr. Hammer's contention there is probably in error as to the case going up on appeal. Although I am no lawyer my judgment is that it is not appealed in that way. You do not say that is done while the appeal is pending.

Mr. SINCLAIR. No.

Mr. MILLSAUGH. You have got to give bond in that case.

Mr. SINCLAIR. The losing party would be the party to appeal, and he would give bond for costs for a supersedeas bond. I never heard of the winning party in a lawsuit being required to give bond. It is always the losing party, the party who has to prosecute the appeal.

**STATEMENT OF MR. WILLIAM E. HUMPHREY, ATTORNEY, WASHINGTON, D. C.**

Mr. REED. Proceed.

Mr. HUMPHREY. While the members of the commission are here we ought to clear up the Meridian Mansions proposition.

Mr. REED. Get down to the question before us.

Mr. HUMPHREY. In my opening statement there were three charges that I made against the commission. The first was that the Meridian Mansions case was taken out of its order. I leave the committee to judge whether the evidence shows that was true. The next charge I made was I said that the larger and more luxurious apartments were more reduced than the others and that the larger the apartment and the more valuable the greater the reduction. I have here in my hand a copy of the record made by the commission itself and my figures are taken from that record and I will cite two illustrations. Tier No. 10 is the most valuable one in the building and the rent is the highest and the reductions in that tier were a great deal more than in the other tiers, \$80, \$60, \$60, and \$60. That is the most luxurious and most desirable tier in the apartment building. The next most desirable and highest priced—

Mr. LAMPERT (interposing). When you speak about reductions, do you mean reductions from the price fixed by the renters, by the owners?

Mr. HUMPHREY. In each of the cases I have read they were reductions from the schedule fixed by the owners on what the tenants were paying. Senator Walsh, Senator Jones, and Senator Kendrick, I believe, never did pay the rent that was fixed by the owners after the first year of their occupancy.

Mr. LAMPERT. When you speak about reductions this is what I want to be cleared up.

Mr. HUMPHREY. From the schedule fixed by the owners, and in this particular case the schedule they were paying happens to be the same. No one ever claims, so far as I know, certainly not intentionally, that Senator Walsh, Senator Kendrick, or Senator Jones, ever had their rent reduced from what they were paying because they never did pay any of the increase demanded but the other tenants did voluntarily pay the increase.

The number sevens are the next most desirable apartments, to judge by prices and by the selections made by the tenants and in that tier the reductions were \$30, \$40, \$40, \$30, \$40, and \$40, which is the second greatest reduction in the building. Tiers 22, 23, and 26 are the poorest apartments in that building. They are on the north side. They are in the courts. They are one room and bath. They are occupied by from one to three persons and in each instance the rent was increased, and this was done without any request so to do on the part of the owners.

Mr. HAMMER. Above the schedule fixed by the owners?

Mr. HUMPHREY. Yes. And above what they were paying. Now, then, you can judge whether or not the statement was correct when I stated that the Rent Commission reduced the rents, of their own motion, on the most desirable and highest-priced apartments and reduced them on the least desirable and cheapest apartments.

I go to the next charge, and that was that there was gross favoritism in several instances in favor of the Senators. They have had a great deal to say about Senator Walsh's apartment. Senator Walsh does not need any eulogy from me nor any defense from anybody. I have known Senator Walsh a great many years. He is a man of the highest character, and he would resent as quickly the concealment of any facts that would be against him as he would if anybody were to make any statement that was not true in order to assist him. Senator Walsh wants the facts. He is entitled to them. Now, then, I did not in my original statement make any statement in regard to the condition of his apartment. Why? The reason I did not was because in the answer he filed before the Rent Commission, the copy of which is here, he did not make any charge that his apartment was not in proper shape. When the trial of that case was had, so I was informed by the attorneys, there were attorneys present representing Senator Walsh, and they never raised that question. Senator Walsh, on the floor of the Senate, never raised the question. Nobody ever heard of it, so far as I know, until it came from the Rent Commission here before this committee. I did not know about it and could not know about it when I made my opening statement.

In order that you may know the exact facts about Senator Walsh's apartment and the facts about his rent, I am going to call the best witness in the world to that fact. I am going to take Senator Walsh himself, and he states the facts just exactly as they are. Here is a colloquy, a continuation of what was put in the record the other day, and I will not put in what is already in the record, that is germane to the subject. But commencing after what is already in the record, I quote:

"Mr. POINDEXTER. May I ask the Senator from Montana if his rent was reduced?

"Mr. WALSH of Montana. No; my rent was increased. If the Senator wants to know, the rent of my apartment is less than the rent of other apartments in exactly the same row. I occupy the top apartment, and that apartment suffers by reason of construction details, and therefore I do not pay as much as others in the same row. The probabilities are that the Senator has been misled by that circumstance.

"Mr. POINDEXTER. No; I do not think so.

"Mr. WALSH of Montana. In other words, he is just giving us one side of the story, and he tells us the side of the story of the owner of the building.

"Mr. POINDEXTER. I did not quite understand the last statement of the Senator; but, as I understood him, he first stated that his rent was increased, and then I understood him to say that it was reduced.

"Mr. WALSH of Montana. The Senator misunderstood me. My rent was increased over what I had been paying, but it was less than the amount demanded of me.

"Mr. POINDEXTER. That is, the rent fixed by the Rent Commission was less than the amount the landlord asked?

"Mr. WALSH of Montana. Exactly; that was generally the case, I believe.

"Mr. POINDEXTER. Also the Senator states that his rent was lowered, while the rents of some other tenants were increased?

"Mr. WALSH of Montana. Yes, for reasons to which I have referred."

Now, we have all the facts in regard to Senator Walsh's apartment, and you have heard the testimony as to why this difference in rent was made. It is not a question of whether his rent was raised over what he had paid, or whether it was reduced from the schedule of the owners, the material question is that the Rent Commission made a difference of \$50 in his apartment as compared with those immediately below Senator Walsh.

Mr. HAMMER. I would like to inquire at this point if the landlord did not originally make a difference, or a corresponding difference, in the price fixed as between the rental of this apartment and the rental of other apartments?

Mr. HUMPHREY. No, sir.

Mr. HAMMER. I want to inquire further if this raise was 14 per cent over what it was, or 14 per cent over the rent as it was first fixed?

Mr. HUMPHREY. That is the way I understand it. Mr. Kennedy is here, and you can put him on the witness stand if you desire. My understanding is that Senator Walsh's apartment had always been fixed by the owners at as high a rent as any other apartment in that tier.

Mr. KENNEDY. Yes, sir.

Mr. HUMPHREY. Mrs. Taylor, in testifying, said, if I correctly understood her, and if I did not you will note it, that the rents were fixed by adding 14 per cent to the 1919 rate. Now, that accounts to some extent, perhaps, for this discrepancy in the case of Senator Walsh's apartment, because what they did in the case of Senator Walsh's apartment, if they used 14 per cent at all, was to base it on the rent of 1917. I am sure that must be correct, because he was paying in 1917, \$105, and if you will add 14 per cent to that, you will have within 30 cents of the amount to which the rent was increased. Therefore, instead of figuring it on the basis of 14 per cent on the 1919 rate, they figured it upon the basis of the rate of two years before that time.

Mr. HAMMER. Two years before, or in 1917, it was fixed by the owners?

Mr. HUMPHREY. Yes.

Mr. HAMMER. Immediately after the building was erected?

Mr. HUMPHREY. At that time all the other tenants in that tier had their rents based upon the same rates. This point has been suggested to me, and I want to emphasize it: Of course, the owner demanded an increase of rent of Senator Walsh after his lease expired, upon the basis of the 1919 rent. By that I mean that the owners demanded the increased rent, and he did not pay it. Now, I do not understand how it is possible for Mrs. Taylor to have been correct in her statement that they increased those rents 14 per cent, because it does not figure out that way in any other tier. If you will take my own apartment, adjoining Senator Walsh's, you will see that I was paying \$115 in 1919, and they fixed my rent at \$140. You can not figure that as an increase of 14 per cent, because it is nearer 25 per cent. I do not know of any other apartment, although there may be—but I doubt if there is any other apartment in the building where the 14 per cent increase applies.

Therefore, I am still at sea to know how they fixed it. The chairman of the commission, as nearly as I can get it from him, claims that he fixed the rents on the basis of cost. He put in that letter from the assessor, and, as nearly as I can ascertain, the chairman fixed the rents upon cost of building. Mr. Brown, who is here before you, is a good lawyer. Any lawyer would advise the Rent Commission that an increase of 14 per cent over the rate of 1919 was not a proper basis upon which to base rents and



that the cost of the building is not the proper measure for such purpose. Cost is never the proper measure for fixing rents. It may be evidence on the subject, but it is never the measure.

Now, as to the repairs in the apartment of Senator Walsh. The owner of the apartment house is here, and he can testify as to that. He will testify that he was never requested to make those repairs, and that he never had any complaint about it. He will also tell you about what it would cost to put the apartment in shape. I think it is perfectly patent, notwithstanding the fact as they claim that the apartment was in bad condition, that the commission made an error in favor of Senator Walsh, when it figured the rent upon the basis of 1917 schedule instead of upon the 1919 rate. Mrs. Taylor shows this was clearly a mistake, as she believed they were using the 1919 schedule.

How about Senator Culberson's apartment? What is the explanation there? He gets an apartment for \$50 per month that others pay \$80 per month for? The apartments are identical and all are unfurnished. They can not say that it is on account of interior conditions because the members of the commission never went into Senator Culberson's apartment.

They never saw it; they went to the door and started to go in, but were not admitted. Therefore, it is not on account of any interior troubles; it is not on account of cockroaches, speaking tubes, or wall paper. He pays \$50 per month for what others pay \$80 per month for. And this difference the commission has not even attempted to explain.

They tell you that in fixing the rents for this apartment house they fixed it on the apartments and that the personnel of the tenants had nothing to do with it. Now, give them the benefit of that statement, and I am not inclined to dispute it, but what is the explanation? Here is coincidence No. 1, in the case of Senator Walsh's apartment; here is coincidence No. 2, in the case of Senator Culberson's apartment; and here is coincidence No. 3, in the case of Senator Gooding's apartment. His apartment is \$25, and the others pay \$80. Why? No explanation is even attempted. There are three coincidences all in a row, and there are six other coincidences in apartments in tier 10. You can draw your own conclusion as to whether there was discrimination. I do not care to argue it any further. The facts speak for themselves.

Mr. HAMMER. Will you permit me to ask one question?

Mr. HUMPHREY. In a moment if I may make just one further statement: I am not going to pull any sob stuff here about widows and orphans, or anything of that kind, but there are two sides to this story. The Rent Commission is a court, and the Rent Commission ought to exercise some care. Suppose you take men like Kennedy Bros., who have lived here all their lives; they have their families here, and they have high reputations. They are one of the best-known firms in the city of Washington. It is universally admitted that their service was fine, and that nobody complained of it. Not a single tenant went before the commission and made any complaint of the service. Now, men like Kennedy Bros. do not like to be advertised or paraded before the public as Shylocks, profiteers, and rent hogs. They do not want to be advertised in the way that they were advertised by the decision given by the Rent Commission.

Mr. HAMMER. It is a fact, however, that you do not dispute, that the rent was raised 14 per cent on the price of the apartment as fixed by the tenants in 1917, as Mrs. Taylor stated?

Mr. HUMPHREY. That is true in regard to Senator Walsh's apartment, or within 30 cents of it.

Mr. HAMMER. Is it true of the others?

Mr. HUMPHREY. I do not know, but my understanding is that it is not.

Mr. HAMMER. The rent of the other apartments was increased 14 per cent, as I understand it, over the price that was fixed by the landlord, fixing the income at about 6 per cent without service?

Mr. HUMPHREY. If I understand your question, that is a mistake.

Mr. HAMMER. Perhaps that was the Monmouth.

Mr. HUMPHREY. I do not think that is true in this case. Let me state it so that there will be no mistake about it. The commission increased the rents of Senator Walsh, Senator Jones, and Senator Kenrick over what they were voluntarily paying.

Mr. HAMMER. In other words, over the amount fixed by the landlord in 1917, immediately after the building was erected?

Mr. HUMPHREY. Yes, sir.

Mr. HAMMER. They had refused to sign a contract increasing the rent to the scheduled increase fixed by the owners for 1919.

Mr. HUMPHREY. Yes, sir.

Mr. HAMMER. But there was an increase of their rent over the original rent fixed voluntarily by the landlord in 1917?

Mr. HUMPHREY. Yes.

Mr. MILLSAUGH. It amounted to a 14 per cent increase, practically, for Senator Walsh's apartment?

Mr. HUMPHREY. Yes; we are complaining because the Rent Commission, when they fixed their schedule, made that discrimination in favor of those three Senators.

Mr. HAMMER. The fact remains that the owners of the building fixed the rent at \$105 in 1917, immediately after the building was erected, and the statement has been made in the press that there was an increase of the rent. Is that true?

Mr. HUMPHREY. No; it is not true to that extent. If those three Senators were the only ones that did not have their rents increased because of the fact that the others did—

Mr. HAMMER. That was because they had the courage to fight.

Mr. SINCLAIR. Mr. Humphrey, you referred to tier No. 10 as being the most desirable one. Where is it located?

Mr. HUMPHREY. It is located on the south.

Mr. SINCLAIR. On the south side of the building?

Mr. HUMPHREY. Yes. Here is the wing [indicating] running out here; here is the south front; here is the east front, and the west front is over here. Every person who has lived in this city knows that in summer time the south, west, and east fronts are the choice ones.

Mr. SINCLAIR. This apartment faces the west, or faces the garage and tennis court, does it not?

Mr. HUMPHREY. No, sir; it faces south, the apartment is here [indicating] and the garage is away over in the other corner of the block.

Mr. SINCLAIR. It is a large garage, and it is west of the building?

Mr. HUMPHREY. It is pretty nearly west. It runs off at an angle there. The garage is along here [indicating].

Mr. SINCLAIR. Is it not true that that tier is over the servants' quarters and over the automobile driveway, through which people are taken to the dances that are going on there until midnight?

Mr. HUMPHREY. I think that was true at first. I can testify about that. The truth about it is that I had my choice of apartments when the building was finished. I assisted Mr. Kennedy in securing his permits or in the trouble he had about the permits, and he said that I could have my choice of any apartment in the building. I selected Senator Walsh's apartment.

Mr. SINCLAIR. Is it not true that automobiles enter the driveway right under the south wing of that tier?

Mr. HUMPHREY. As I understand it the automobiles go right in here [indicating].

Mr. SINCLAIR. Is it not true that the noise goes up and that it is quite objectionable to people in the upper apartments and more so than to people in the apartments near the ground?

Mr. HUMPHREY. Yes; that always makes a difference, but let me explain that. When I gave up this apartment here [indicating] I rented one on the inside, on the court, and I had more noise than anybody. I had to protest about it. Then they went to work and shut it off, or walled it in.

Mr. SINCLAIR. Where is the dance hall with reference to Senator Gooding's tier, or the tier in which he resides?

Mr. HUMPHREY. I do not remember which one he is in. I know that he is not troubled with the noise from the dance hall, because the dance hall does not bother anybody except possibly in very hot weather, when they may open a window in such way as to cause the noise to be heard by some of the tenants, but I doubt if this is ever true.

Mr. SINCLAIR. You stated that Senator Walsh did not raise this question of the condition of repair of his apartment in his answer.

Mr. HUMPHREY. Yes.

Mr. SINCLAIR. Is it not true that Colonel Brown, who drew the suit against Senator Walsh, alleged that the rent he was paying was an unfair and unreasonable one, and did he not ask the Rent Commission to fix a fair and reasonable rent?

Mr. HUMPHREY. I should say so.

Mr. SINCLAIR. Is it not true that Senator Walsh in his answer specifically denied that the rent he was paying was unfair and unreasonable?

Mr. HUMPHREY. I suppose so.

Mr. SINCLAIR. Was not the condition of the apartment necessarily involved in fixing the rent?

Mr. HUMPHREY. If you want me to testify as a lawyer, I will remind you of the fact that when a man makes allegations of that kind in pleadings he is supposed to support them by evidence, but in this case he did not do it.

Mr. SINCLAIR. This rent statute requires that the procedure before the Rent Commission shall be a simple one and free from technicalities, and the Rent Commission does not require that the allegations in the complaint and answer shall be as specific and technically correct as might be required in some other court proceedings.

Mr. MILLSPAUGH. As a matter of fact, is not that driveway covered so as to kill the noise?

Mr. SINCLAIR. Yes.

Mr. MILLSPAUGH. As a matter of fact, that driveway is closed about 8 o'clock at night, is it not?

Mr. SINCLAIR. It is covered.

Mr. MILLSPAUGH. It is closed.

Mr. SINCLAIR. How do automobiles get in there?

Mr. MILLSPAUGH. They do not, but they come to the front door. It is closed at 8 o'clock. So the commission was in error there.

Mr. SINCLAIR. You can not find anybody to serve on the commission who is perfection. All of us are liable to err. Fallibility is an attribute of the best men.

Mr. HAMMER. I understood you to say, Mr. Humphrey, that you once occupied the apartment that Senator Walsh occupies?

Mr. HUMPHREY. No, sir. I said that I selected that apartment, but I was called to Seattle, and did not know whether I would be able to get back.

Mr. HAMMER. Did the owner fix the price to you?

Mr. HUMPHREY. It was before it was finished, and I do not believe we reached that far with it. I was helping him in getting his permits for the building, and as soon as the blue prints were out he came to me and said, "You can have your choice."

Mr. SINCLAIR. Notwithstanding the fact that it seemed to you to be the most desirable apartment, the owners of the building fixed the price at \$105 for Senator Walsh?

Mr. HUMPHREY. That is as high as any in that tier at the time it was fixed. I still think per square foot it is the most desirable apartment in the building.

Mr. SINCLAIR. Do you know that the rental agent of Kennedy Bros. testified that it was not the most desirable, but that the most desirable tier was the one in which he resided?

Mr. HUMPHREY. I do not know what he testified to. I took occasion to interpolate that it was my personal opinion. If Senator Walsh wanted to give it up, I would take it.

Mr. SINCLAIR. In its present condition?

Mr. HUMPHREY. I would ask Mr. Kennedy to fix it.

Mr. GUDE. Mr. Chairman, I simply want to state that in fixing the rent at 2400 Sixteenth Street, the commission took all the time on it that they thought was necessary. So far as knowing whom the apartments belonged to, I do not believe it was once discussed as to who lived in the apartments, and the rent for the apartments was fixed irrespective of who the tenants were. Whether Mr. Walsh complained about his apartment, or not, it was the plain duty of the commission in fixing the rent to take into consideration the condition in which the apartments were. Thereupon, after getting the testimony of real estate men and others, we fixed the value of that building at \$1,750,000, and upon that valuation we allowed them 8½ per cent. If any one comes here and makes the statement that there was favoritism shown in that case, I wish to say that such statement is absolutely untrue.

Mr. REED. The city assessor is present and has been here for a long time. He is ready to testify at this point in regard to real estate values in the city of Washington.

Mr. SINCLAIR. Mr. Chairman, Mr. Humphrey made the statement that the Rent Commission had fixed the rent upon the basis of the cost of the building only, and he referred to the assessment on the property in 1918, as shown by the appeal from the assessment of the board of equalization and review. I simply want to say that that assessment was received as one piece of evidence bearing upon the question of the fair and reasonable value of the property.

Mr. MILLSPAUGH. In order to expedite matters and to save as much time as possible for the other witnesses, I will state for the benefit of the committee that I have secured from Mr. Gude the information that I desired to obtain from Mr. Richards. So far as I am concerned, I do not care to hear Mr. Richards, for the reasons I have stated, unless somebody else wants to question him. I do not think there are any questions I want to ask him.

Mr. REED. The assessor is here. Do any members of the committee desire to question him?

Mr. HAMMER. I do not.

Mr. MILLSPAUGH. I secured the information I wanted from Mr. Gude.  
Mr. REED. Then we will excuse Mr. Richards.

**TESTIMONY OF MR. ROGER J. WHITEFORD, COUNSEL FOR THE  
WASHINGTON REAL ESTATE BOARD.**

(The witness was duly sworn by Mr. Reed.)

Mr. WHITEFORD. May it please the committee, I appear here as counsel for the Washington Real Estate Board and desire to present their views very briefly with reference to this legislation. I might say in their behalf that, selfishly speaking, as Mr. Hagner put it yesterday, I do not believe that there is a member of the board but what is in favor of this character of legislation, because it is profitable to them. The real estate men composing this board have made more money out of the real estate business since this law has been in operation than they would have made otherwise, because the result of this statute is to require people to buy property and not to rent it, and the real estate broker makes more money out of one commission on the sale of a house than he would make out of collecting rents on it for 15 years. That is the situation that this law is creating. It is true, as Mr. Hammer showed yesterday, that more property is being built than ever before in Washington. That is right, and there are, perhaps, 2,000 houses under construction now.

Mr. HAMMER. Why is it that the real estate agents were here at the last hearing, when the bill was extended on August 21 last, opposing it so vigorously, and are now merely sending a representative?

Mr. WHITEFORD. The answer I make to that is that they can not come here time after time and sit here day after day waiting to be heard. There have been men here ready to go on the stand and who want to be heard. While they realize that the business is more profitable to them, they do protest against this character of legislation, because it is of this character. Personally it is profitable to them, but from the standpoint of benefitting the city, it is not good legislation. Of all those houses that are being built, there is not one for rent. We have meetings attended by many members of the board on Saturday and Sunday night, and out of all the men sitting around that board, and out of all the real estate dealers, there was not one who had a house to rent. There was not a single house for rent.

Mr. HAMMER. Is not that just what Mr. Gude said, and has not that been true for 10 years?

Mr. WHITEFORD. No, sir; it has not been true for 10 years. I will refer to Mr. Hagner, who said that he built before the war about 200 houses a year, and that when he built those houses, he knew that from 50 to 75 of them would be bought by investors. They were bought by investors in rows for rental purposes. They bought them for investment purposes, and held them, drawing rent on them year after year. On yesterday morning there was sitting in this room a man by the name of Ruppert, and I took him to be a good representative of the class of people who formerly bought property of that character. I refer to Mr. John Ruppert. He owned a great many houses, most of them small houses, that he had held for years. He held those houses as investments, and they rented for from \$15 to \$30 per month. Now he has sold all of the houses that he owned except eight, and they are on the market for sale. He says that he will never buy another house so long as legislation of this character is in force.

I can mention numerous men of that character. There was another man in this room yesterday, Doctor Mertz, who left this room following the suggestion yesterday that business property might be included in this law, and took down a deposit that he had placed upon a piece of business property that he was going to buy. He has money in bank in large amounts drawing 3 per cent interest, and he wants to invest it in Washington real estate, but he says, "I will not invest money in real estate and then be characterized as a rent hog and profiteer." He will not invest money in real estate and make contracts that the Rent Commission may treat as scraps of paper, as the law authorizes them to do. He said, "We have just concluded a war which was brought on because a contract of that sort was treated as a scrap of paper, and I will not invest in property and then have the contracts that are entered into in respect to the same treated in any such fashion." That is what is happening to-day under this law. People are being compelled to buy houses at a time when they have to pay more for them than they will ever have to pay again. They are paying more for them than ever before in history, but they are compelled to buy them. The statement was made here by Mrs. Taylor that people are living under crowded conditions, a lot of them in one room. She said that the conditions were crowded due to the high rents. I say to you that there are as many people living under crowded conditions in houses that they are trying to buy as are living under crowded conditions in rented houses.

They are living under crowded conditions where they have had to double up in order to pay for the houses.

One Sunday I saw an advertisement in a paper by some dealer saying that the purchaser could rent the second floor for enough money to cover the purchase price. That was the basis of the sale. Houses are being built because the people must have them, but they have to purchase them. They have to purchase them because the owners will not rent those houses. Why should they rent them? Mr. Robinson White was in this room yesterday. He is a builder of small houses that rent for \$15, \$25, or \$30 per month, but he will not build any more houses to rent.

Mr. KELLER. Mr. Hammer on yesterday presented evidence that there was more building going on here than ever before.

Mr. WHITEFORD. Yes, sir.

Mr. KELLER. The people that buy homes are not all outsiders, and they move from some place here where they are renting now. That leaves a vacancy.

Mr. WHITEFORD. It either leaves a vacancy, or makes a less crowded condition. I say this to you, that it is true you may eventually meet the housing situation that way, but by doing that you will be creating a permanent condition that is going to mean more loss than high rent would mean, for the reason that by this legislation you are compelling people to buy houses, and they will have to stand an enormous depreciation on those houses.

Mr. KELLER. I can not quite understand you when you say that the rent law protects or brings about those high prices for houses. Suppose there were no rent law—do you think that the price of houses would be lower?

Mr. WHITEFORD. Yes, sir.

Mr. KELLER. Why?

Mr. WHITEFORD. Because people would build houses, and houses would be bought for investment purposes. The law of supply and demand in this town would not be curbed in any such fashion as now. You have no competition now.

Mr. KELLER. With nearly twice as much building going on?

Mr. WHITEFORD. There could be a great deal more, and the building would keep up longer. There could be more houses built, or more than they are building now. There was a man in here the other morning who had nearly \$100,000 to put into residence property, but he would not do it under this sort of legislation. You would not do it either. There is not a man on this committee who would buy rental property and have it subject to this legislation. As I have said, you have no competition. That is the thing that keeps the price of houses down from the builder's standpoint when he wants to sell them. The thing that keeps them down is renting competition, but you have eliminated that by this legislation.

Mr. KELLER. If that is true, what have you to say to this proposition: Suppose it would take five or six years to get enough buildings constructed here to relieve the congestion; do you mean to say that during those five or six years the real estate people would not profiteer on those buildings that they are renting now? Would they not profiteer in most of these cases now if it were not for this rent law?

Mr. WHITEFORD. That might or might not be true.

Mr. KELLER. Is not that the common sense of the situation? Is it not true that if they have a chance to raise the price on the property, they will take all that they can possibly get? I am not criticising them for taking what they can get, but we are here to see that they do not do that.

Mr. MILLSPAUGH. Did you say that nearly all of them would do that?

Mr. KELLER. Would not all of them take as much as they could possibly get? Was not that done?

Mr. WHITEFORD. That was true of sugar, clothing, and everything else. The only thing that has not shown some reduction in the District of Columbia is rentals.

Mr. KELLER. That was true all over the country. At St. Paul, where they do not have a rent commission, rents have been raised.

Mr. WHITEFORD. We realize that there are people who will put up rents when there is an opportunity to do so. There are people whom you can not control, and there are people that this Rent Commission can not reach. In Boston and Philadelphia particularly, and I think in St. Louis, although I am not sure about St. Louis, the real estate boards established a fair rent commission of their own, composed of men who were real estate experts. They were men who could fix rents by reason of their experience while this commission was thinking about it. They have had years of experience, and know all about real estate.

Mr. KELLER. That kind of spirit has not been shown by that class of people in this city.

Mr. WHITEFORD. That is exactly the spirit we want to show, but we have not had an opportunity to show it. I come now on behalf of the Real Estate Board of Washington

with a proposition that has been approved by the executive committee, and that is, if this law will be abolished, as it should be, thus preventing this fictitious market for selling houses, the real estate board will itself, as it did at the time of the Disarmament Conference here, establish its own rent commission, and by publicity prevent any rapid increase of rents. You will have an increase of rents, no matter how long this law continues. There will be people who have been objectionable tenants, and when the law stops, they will be told, "You must either pay this rent or get out." That will happen, but I say that the Washington Real Estate Board is willing to establish that sort of commission. Of course, they will not spend their time with these little picayune reductions of \$2.50 per month on some house. I do not think it is right to take the money of the Government and use the enormous machinery of the Rent Commission in hearing matters that involve only a few dollars one way or the other. It seems to me that the Rent Commission should be dealing with matters that involve profiteering, but they should not be dealing with the small reductions that they make in many cases.

Mr. HAMMER. You recognize the principle that there should be some kind of regulation, and your proposition is to regulate it by the men who own the property and are interested in it, without any representative on the board of those who are renters. Is that your view?

Mr. WHITEFORD. My position is not quite that. I recognize the fact that we will always have the greed of human nature to contend with, and you will not prevent that by any rent legislation.

Mr. HAMMER. But we are trying to.

Mr. WHITEFORD. It is a feeble effort, and you are not reaching it. The Rent Commission is spending its time in lots of instances with insignificant things, and are denying to people the justice that they are entitled to. There is a man sitting right over here, Mr. Duvall, who rented a house to a party. He said to the man who rented the house, "You can have this house until the 31st of December, when my daughter is to be married, but we must have the house at that time." That man went into that house with that understanding, and he is in there to-day. He is still there. Mr. Duvall filed a petition with the Rent Commission on the 31st of January, reciting all the facts. He had notified the tenant in October, and he presented his formal petition in January. They were fully informed of the situation, and knew why he wanted the house. There are eight members of that family, all grown, living in a little house containing four bedrooms. It is a six-room house, and the son-in-law and his wife are now living in the parlor, because they can not get this house. The Rent Commission was asked to advance the case, but they have not heard from them. This man has been deprived of his house for all that time.

Mr. KELLER. You cite one or two cases of that kind, but you forget the thousands of people who were protected by this law last year after the Supreme Court declared it constitutional. You forget about the thousands that the law protected last year, especially during the last six months.

Mr. MILLSAUGH. The commissioners are the ones who have been bringing up individual cases. They have specified some hardship cases, but they did not protect them by the thousands.

Mr. KELLER. There are thousands of people who are protected by this law.

Mr. MILLSAUGH. They neglected everything for—

Mr. KELLER (interposing.) There are thousands that did not complain, because the landlords did not raise the rents on them.

Mr. WHITEFORD. Referring to this case of Kimball vs. Duvall—

Mr. REED (interposing). Was that filed in March of this year?

Mr. WHITEFORD. In January. He first wrote a letter on October 31. He sent Mr. Kimball a letter telling him that he needed the house. Mr. Kimball replied that he could not get any other place to live. Finally, on January 31, Mr. Duvall filed the notice. He served notice on Mr. Kimball, and Mr. Kimball filed a petition on February 23, in which he denied that Duvall wanted the house for his daughter to live in. Then Duvall set up the facts and asked that the hearing be advanced. That was on the 10th of March, and not a word has been heard from it since. I want to call your attention to the Avondale apartment house, or apartment 327, in which Mr. Montague, from Virginia, lives. The commission fixed the rent of that apartment at \$75 per month. It is a six-room and bath apartment, in a fireproof building, with elevator service, and is one of the finest apartments in that well-constructed building. Other apartments similar to that are rented at \$150 each per month, and another one practically like it is rented at \$125 per month. Another curious fact in connection with that case is this, that when the rent was tendered at Allan E. Walker's office, the representative of Mr. Montague in the matter was none other than Mr. Roper, the

secretary of the commission. Major Brown, who was here yesterday morning, told me about that.

Mr. KELLER. Your complaint is against the commission as at present constituted, your claim being that they are not doing justice, or that they show favoritism toward certain people.

Mr. WHITEFORD. I cite those facts, whether they are due to favoritism or not. I can not understand any other basis on which they can be answered. I do not see why the secretary to the commission should be representing any person that is appearing before the commission.

Mr. HAMMER. Do you mean to say that he is the secretary of the commission now? Mr. WHITEFORD. He was when that happened.

Mr. HAMMER. Was he the paid attorney in that case?

Mr. WHITEFORD. He was paid as the secretary of the commission.

Mr. HAMMER. Was he then practicing before the commission?

Mr. WHITEFORD. All that I know is what I told you. He appeared and said that he was the attorney for Mr. Montague. That was when he appeared at Allen E. Walker's real estate office.

Mr. HAMMER. Was that while he was secretary?

Mr. WHITEFORD. Yes, sir. I want to call your attention to the finding that the Rent Commission makes. Mr. Kennedy is a good illustration of this, because he has been in this town all his life, and, of course, he does not like to be paraded before the public in this fashion. Here is the case of *Darby v. Weedon*, a case in which the rent was cut down, and the language of the finding is, "unfair and unreasonable rent for said apartment under the conditions disclosed by the evidence." That is an adjudication by this tribunal. That is what the adjudication says, whether there was a lease signed or not, and that is the wording that is used whether the reduction is \$2.50 or \$50. Is it any wonder that a man does not want to invest money in real estate and then be pilloried in that fashion? Even if there is a lease duly made out and signed by the tenant and landlord, with the amount of the rent agreed upon between them, that is the form of the finding. They say that it is an unfair and unreasonable rent.

Mr. HAMMER. That is the language of the statute, and they must follow that. The commission must determine fair and reasonable rents. That is the language of the statute.

Mr. WHITEFORD. If you were going to invest money in Washington, you would not invest it in rental property under those conditions. People will not do it.

Mr. HAMMER. I am reading from the statute. The statute provides that they shall determine what are fair and reasonable rents.

Mr. WHITEFORD. Why not say, "We find the fair and reasonable rent to be so much?"

Mr. HAMMER. That might be better.

Mr. WHITEFORD. For a few minutes I want to talk about another aspect of this proposed legislation, and that is the inclusion of business property in this law.

Mr. HAMMER. I find this language in the law:

"If the commission finds that the existing rents, charges, service, or other terms or conditions of the use or occupancy of any rental property or apartment are unfair and unreasonable, it shall fix and determine the fair and reasonable rents, rates, or charges for the rental property, etc."

They must make that finding under the statute.

Mr. WHITEFORD. They could simply say what they find is a fair and reasonable rent. People are not going to place themselves in that sort of position.

I will hand you copies of a memorandum dealing with the question of business property, or the inclusion of business property in the Ball rent law, to which the real estate board is unanimously opposed. They oppose it because of the fact that the Rent Commission can not fairly and reasonably regulate the rents on business property. The thing that creates value in business property is the opportunity to do business. For instance, if you will notice on page 3 of this brief, we call attention to Liggett's drug stores on F Street, where the rents range from \$4,500 per year, at 1008 F Street, to from \$15,000 to \$20,000 for the store at the corner of Fourteenth and F Streets, depending upon the business done. That is the thing that determines the rental value of business property. The amount of business done is what pays the rent. That is a thing that a commission can not adequately estimate. Here is another thing to be considered: A drug store on a certain corner would make money, and if it is rented for drug store purposes the owners will get more rent, because the drug store can make money there, but you could not put a real estate office or a law office on that corner and make money. The people will make the rent there by buying drugs, but they would not make it for some other kind of industry.

Mr. MILLSPAUGH. As a matter of fact the intent of this law is to protect people in their living apartments, where they must reside?

Mr. WHITEFORD. Yes, sir.

Mr. MILLSPAUGH. A man does not have to have his business in a certain place, does he?

Mr. WHITEFORD. No, sir. If the place is advantageous for the kind of business that is conducted there, that is the thing that makes the rent. It is stated that the merchants and manufacturers association in their petition said that high rents for business property had caused bankruptcies in the District of Columbia. We have in this brief a digest from Bradstreet's Reports showing the bankruptcies in the District of Columbia during the period referred to. You will find that by referring to pages 5 and 6. The only considerable failure during that period, that of James Y. Davis & Sons, was where the business concern owned the property it occupied. Another failure was that of A. D. Graham & Co., a printing concern, and they were occupying their own property. They owned their property, and yet they failed. Lots of people enjoyed a sudden prosperity during the war. There were no considerable business failures in the District of Columbia before they endeavored to regulate the rents of business property. This commission has enough to do, and more than it can adequately do, in connection with the rental of houses and apartments. It has more than it can do, as has already been testified to.

There is no reason for including business property in this law. I will not take any more of the committee's time, but will leave copies of this brief. I have referred to the Liggett drug stores, and I will say this, that there are thousands of chain stores that would come into Washington and take leases and pay a big bonus for them if they could get them, but they are now held by other people. You have this petition asking that business property be included in the law, but there are lots of people who would take those stores and sell goods cheaper than the merchants now occupying them do. Those merchants would not be so quick to have business property included in this legislation if it were proposed to include also the regulation of the prices of clothing and other goods that people have to buy. I do not see any reason why you should regulate their rents if you are not going to regulate the prices at which they sell goods, because that would simply be putting money in their pockets. Competition, after all, must determine these things.

I think that covers all I have to say.

Mr. REED. We thank you for your statement.

Mr. MILLSPAUGH. I want to ask the consent of the committee, in line with what Mr. Hammer or Mr. Lampert moved yesterday, that when the committee meets on Monday, after hearing from the Rent Commission, or Mr. Brown, and, probably, from Mr. Linkins, who has prepared some amendments, and who will want a short time on Monday to explain the amendments to the committee, the committee may then take executive action upon the bill.

Mr. ZIHLMAN. I would like to suggest, Mr. Millspaugh, that we have a representative of the legislative drafting service here. I think the committee can determine what it wants to do, and the technical language can then be outlined by Mr. Lee, of the legislative drafting service. He has gone over this bill very carefully, and he says that the bill before the committee is impossible of enforcement and is contradictory in its terms. I think we could expedite matters if we had Mr. Lee here. Of course, the committee can determine on what principles it wants to embody in the bill.

Mr. MILLSPAUGH. Mr. Linkins has prepared a number of amendments to be offered here, and I want to hear his suggestions in regard to them. I did not mean that Mr. Linkins would be here when the committee was passing on the bill, nor would the attorney for the Rent Commission be present, but I would like to have Mr. Brown and Mr. Linkins here for, say, an hour Monday morning.

Mr. ZIHLMAN. I suggest that you include Mr. Lee, of the legislative drafting service.

Mr. HAMMER. I have talked to Mr. Lee about this matter, and he says that the bill is inconsistent in some of its provisions. I did not say it was impossible of enforcement. Most of his activities, I believe, are in connection with the Ways and Means Committee, the Agricultural Committee, and perhaps some others, and he said that he should be notified at least 48 hours in advance in order to insure his keeping the engagement. I think that instead of extending the invitation to two or three persons we might invite those who have amendments to offer to come at that time, but limiting them to one hour.

Mr. REED. It is the understanding that the committee will meet this afternoon at 2 o'clock.

Mr. MILLSPAUGH. In order that the witnesses may understand it, I think it should be announced that there will be no session of the committee to-morrow. I move



## 198 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

that when the committee adjourns this afternoon it be to meet on Saturday morning at 9 o'clock, or 9.30 o'clock, or whatever time the committee may determine.

Mr. LAMPERT. I suggest 9 o'clock.

Mr. HAMMER. For what purpose?

Mr. MILLSPAUGH. For further hearings.

I make the motion that when the committee adjourns this afternoon it be to meet at 9 o'clock Saturday morning.

(The motion of Mr. Millspaugh was adopted.)

(Thereupon the committee took a recess until 2 o'clock p. m.)

### AFTER RECESS.

The committee reassembled at 2.15 o'clock p. m., pursuant to recess.

Mr. REED. The committee will be in order.

Mr. MILLSPAUGH. I want to put this gentleman on for about two minutes, Mr. Chairman.

Mr. REED. State your name and occupation.

### STATEMENT OF MR. WILLIAM L. BROWNING, VICE PRESIDENT OF THE ALLAN E. WALKER CO.

(The witness was sworn by Mr. Reed.)

Mr. BROWNING. My name is William L. Browning. I am a member of the bar of the District of Columbia and an extensive operator in real estate, vice president of the Allan E. Walker Co.

Mr. MILLSPAUGH. I believe you are familiar with the facts of the case stated this morning, where the secretary of the Rent Commission while he was secretary represented some tenants against their landlords in a private capacity.

Mr. BROWNING. I would like to give the history of that case.

Mr. MILLSPAUGH. Is it short?

Mr. BROWNING. Yes; very short. In the latter part of the summer of 1920 we purchased the Avondale apartment house, 7136 P Street NW., a high-grade, elevator, fireproof building. When we took the building over we were given a list of the tenants, and among them was Representative Montague, of Virginia, who was occupying a very delightful apartment of six rooms. His rent was scheduled at \$75 per month. Every other apartment in the same tier, including one on the first floor as well as one on the top floor, was rated at \$90 a month. Even at that we thought the rents were low, but we had purchased this building for the purpose of putting it on the market on the cooperative plan, selling the apartments in the building. We had been quite successful in other buildings prior to that time. So we gave all the tenants notice to vacate. Mr. Montague immediately applied to the Rent Commission, alleging possession and asking for an adjustment of his rent. They passed an order fixing his rent at \$75 per month. We did not appear in response to his complaint, for just at that time the court of appeals had declared the law unconstitutional, and we did not go down before the Rent Commission on any matter; we just avoided that wherever we could.

Later on, though, after the act was declared constitutional, we applied to the Rent Commission for a reopening of the case, setting out the facts, the type of the building, the size of the apartment, and that it was absolutely an unfair rent. They declined to reopen the case for us at all.

After the first decision of the Rent Commission fixing the rent at \$75 per month Mr. Roper, who was then the secretary of the commission, came in to see us several times about it, on two occasions tendering the rent of the apartment to me personally, saying that he represented Mr. Montague, and in reply to my inquiry if he was acting as attorney for Mr. Montague, he said, "Well, it might be termed as such." We refused to accept rent from him at that time until the act was declared constitutional.

I would like to file with the committee a little floor plan showing the extent of that apartment, a six-room apartment renting for \$75, which would be on the basis of \$12.50 a room.

A few months after that date we had a small three-story nonfireproof apartment occupied by tenants of very moderate means, where one of the tenants occupying a four-room apartment applied to the Rent Commission for an adjustment of her rent, and after hearing they fixed the rent at \$62.50 per month, or over \$15 per room. It was a very inferior building, no service, and in a bad location, Belmont Street, between Thirteenth and Fourteenth—a bad location, compared with this other.

Mr. MILLSPAUGH. What was the apartment number in the Avondale?

Mr. BROWNING. Apartment No. 27. We have since rented four other apartments similar to that, three of them at \$150 per month and one at \$125, with no objection whatsoever from the tenants as to that rental. They have made no complaint. They came in voluntarily and offered that amount and consider it a fair rental, and yet we can only get the Rent Commission to say that \$75 per month is a fair rental for that property.

I might add that Mr. Roper told Mr. Allan E. Walker, president of our company, that when the Rent Commission fixed the rent for Mr. Montague, in his opinion—that is, in his judgment—he did not think the Rent Commission knew anything about the character of the building; in fact, he did not know himself that it was an elevator building. So they just arbitrarily fixed it without any inspection or any investigation whatever.

Mr. SPROUL. In this first building you speak about, you did not buy that for the purpose of renting; you bought it for the purpose of selling?

Mr. BROWNING. That was our object in buying it.

Mr. SPROUL. How did you handle this cooperative buying and selling? I would like to know something about that.

Mr. BROWNING. That is quite a long story.

Mr. SPROUL. Well, I think the committee is entitled to know.

Mr. BROWNING. We have 11 buildings now operating on that plan over a period of two years, 355 purchasers, buildings aggregating in value about \$3,500,000; and I would say every building is operating most successfully, without any friction, and there is hardly a tenant who has purchased one of those apartments who would to-day resell it unless they could get a very handsome profit on it. In fact, there is one building, the Netherlands, 1860 Columbia Road, which is one of the best we have operating on that plan, where I venture to say there is not an occupant or a purchaser in that building that would sell his apartment on a 100 per cent profit.

Mr. SPROUL. They make a certain cash payment when they buy?

Mr. BROWNING. Yes, the plan is to take a building, capitalize it at a price to cover the purchase price of the building plus a small amount which would afford a working capital. It is a stock proposition. So many shares of stock are issued at \$100 par value divided into the capitalization of the company. A certain block of stock is allocated against an apartment, so that when a purchaser comes in he buys so many shares of stock with the understanding that with that stock he obtains from the corporation a perpetual lease, as it is, giving him the right of occupancy of that particular apartment by the by-laws and provisions of the corporation.

Mr. SPROUL. The tenant, then, as the purchaser, makes a certain cash payment and then so much a month after that?

Mr. BROWNING. The purchaser in all our cases purchases apartments on the basis of paying one-third cash, the balance of the purchase price of the apartment payable at the rate of 1 per cent per month, liquidating the deferred purchase price of the apartment over a period of a little over 11 years. In addition to that monthly payment, which, by the way, covers both principal and interest, he pays an amount that was assessed against his stock in that corporation to cover the fixed charges for the operation of the building, such as janitor service, elevator service, heat, and light for the public corridors, and for the general upkeep of the building—that is, of the rooms, public corridors, and cellar and things that were used in common by all the purchasers.

So that the total amount that this purchaser would pay per month, including his monthly payment on the principal, his interest, and his assessment for upkeep, has been in nearly every case in the neighborhood of from 75 to 80 per cent of what his normal rent would have been, and after he has paid for his apartment in full, the interest on his investment plus the operating charge for the upkeep of the building was about 50 per cent of what the normal rent would have been.

Mr. SPROUL. The higher you can get the rents, the more you will get for the property when you come to sell it, of course? You look out for that proposition.

Mr. BROWNING. The question of rents does not enter into that whatsoever.

Mr. SPROUL. It does not enter into it?

Mr. BROWNING. No; it does not enter into it at all.

Mr. REED. Let me ask you a question right at that point. A purchaser told me that he bought an apartment, or was about to buy one, priced at \$6,000; he tendered his \$6,000 and asked for a title, and the company could not give it to him and would not give it to him.

Mr. BROWNING. Well, we never at any stage of the proposition offered to give the title. Of course, we particularly avoid that situation, so as to not put any purchaser in a position where he could go into an equity court and ask for a partition of the property, which would upset the whole scheme. Our plan—that is, the Allan E.

Walker plan—is to make this a strictly stock proposition. His interest in that apartment was defined by the number of shares of stock that he held in the corporation, which merely gave him the right to occupy a certain apartment subject to the by-laws of that corporation.

Mr. REED. You will not permit him to pay his whole \$4,000 or \$6,000 in full?

Mr. BROWNING. He could pay for his stock in full. If he entered into a contract to purchase 60 shares of stock at \$100 a share, \$6,000, he could pay that in full to the corporation. The corporation, of course, would have to apply that money on account of the encumbrances on the property, as the deferred purchase notes of the purchasers in any one building was merely an offset against the mortgage on the building, so that when the balance of that stock was paid for in full, all the stock paid for in full, the building would be clear of all encumbrances so that he would hold in a corporation whose assets were this clear building. But he does not get any title in any form.

Mr. SPROUL. That makes it clear as far as your equity is concerned, or the first mortgage wiped out.

Mr. BROWNING. All the mortgage on the building is wiped out when all the deferred purchase notes are paid in full, so that at no time would he have any equity in the real estate or the building itself; he merely has a stock holding with the privilege of occupying the apartment.

Mr. MILLSPAUGH. If it were not for that he could bring partition proceedings.

Mr. BROWNING. Any dissatisfied purchaser could go into a court of equity—I think he could—and file suit for partition and ask for the sale of the property and upset the whole scheme, force other purchasers out against their will. That we particularly try to avoid.

Mr. SPROUL. Have you got a copy of the by-laws?

Mr. BROWNING. I haven't one here, but I can very easily get one.

We were very fortunate with the Rent Commission in having them recognize the purchaser of an apartment on the cooperative basis as a bona fide purchaser of real estate and being exempted under the Ball bill.

The Senate committee last year went into the matter quite thoroughly and they were just about to put an amendment into the bill saying that a purchaser on the cooperative basis should be recognized as a bona fide purchaser; afterwards they decided it was unnecessary because they instructed the Rent Commission to recognize them as such, which they did. So that when we sell an apartment now to a purchaser, although it may be occupied by a tenant, that purchaser can obtain possession of that apartment through the Rent Commission, if it is proven that he is a bona fide purchaser.

Mr. SPROUL. Whether he wants it for his own use or for the use of some one else?

Mr. BROWNING. No; he would have to allege that he wanted it for his own use or the use of his dependents.

Mr. SPROUL. They can do that with any other property, can they not?

Mr. BROWNING. Yes; but for a while there was a question as to whether or not a purchaser on the cooperative basis was on the same basis as the purchaser of other property, not having any part of the fee.

Mr. REED. Is that all you have to state, Mr. Browning?

Mr. BROWNING. While I am on my feet may I make another statement? I had no intention whatever of coming up here before the committee in reference to this legislation, as in the main I am not opposed to it. As the owner of real estate and apartment houses I feel that it has helped us, but I do think it is misdirected legislation. It has the effect of keeping the rents up by stopping the building of buildings for the poorer class of people who are really in need of help in the District of Columbia to-day. If it were not for this legislation I know from my own personal experience that I have been offered in the last six months by one of the biggest insurance companies of the country a fund of over \$2,000,000 for the purpose of building small houses or small apartments to help this very situation that you gentlemen are trying to help here, but with the present condition of the rent legislation and with the decisions that we have had from the Rent Commission, which have varied so much that you can not tell what they are going to do from one day to the next on the same class of property, we have absolutely declined to go into any investment involving the renting of property.

Mr. REED. Do you believe that if the Rent Commission should make it clear to anyone submitting plans and specifications of what he wanted to build, that they would fix the rent at a figure that would give a return, say, of 8 per cent, that that would deter them from building?

Mr. BROWNING. No; I think that would be a good thing, and that is the very thing we have done with the Rent Commission. We have gone down there with plans of what we call our two-story community apartment houses, building them in pairs so as to form—so as to have gardens—I am taking as an example the Jackson City garden proposition in New York. The Metropolitan Life Insurance Co. financed that

proposition in New York. They have offered to do the same thing for us. We did attempt and we are now building to-day out in Brookland, out in Petworth, two small buildings, two-story buildings, making the buildings just as economical as we possibly can, so as to get the rent down for a three or four room apartment to about \$12 or \$13 per room, which is about the lowest asked for rental property, except that of Mr. Montague in the Avondale. And we could bring in to the District of Columbia over \$2,000,000 for other buildings.

Mr. REED. On an 8 per cent basis?

Mr. BROWNING. Oh, very easily on an 8 per cent basis.

Mr. REED. Will not the commission do that?

Mr. BROWNING. We applied to the Rent Commission; we sent blanks down there to them; we had the secretary of our company see several of the members, but they claim that they were so busy they could not take up the matter. We could not even get them to go out and inspect these houses. They claimed that they could not take up a proposition of that kind unless they had a complaint from a tenant; that they could not go in and adjudicate a rent unless it was brought before them as a complaint.

Mr. REED. I think this law clearly permits them to do that on their own initiative.

Mr. MILLSPAUGH. The old law does that.

Mr. BROWNING. It would be a great help. And if we knew ahead of time, if our financial institutions, particularly the ones out of town, knew as to what the probable income would be, then we probably could finance some propositions of that kind.

Mr. REED. Personally I certainly would favor such regulations as would allow the commission to enter into that kind of an advance arrangement.

Mr. BROWNING. I think that would be the proper thing to do.

Mr. MILLSPAUGH. As a matter of fact, though, if the personnel of the commission were changed, might not the policy be changed after the insurance company put its money in?

Mr. BROWNING. I think it might.

Mr. MILLSPAUGH. Would not a fire insurance company or a life insurance company or any man who had money to invest take into consideration the changeable nature of the personnel of the commission?

Mr. BROWNING. Absolutely, sir. And they have so stated to me personally.

Mr. MILLSPAUGH. I should think so.

Mr. BROWNING. Two weeks ago I was in Chicago. I have been out there about two weeks closing out the financing of a very large project here in Washington involving about \$6,000,000. I obtained a first-trust loan of \$3,500,000, which is the largest loan ever made in the District of Columbia on hotel property. I believe the only reason in the world that I was able to get that loan was because at that time the Senate committee considering the rent bill contemplated the exclusion of hotels from the rent legislation, because that question came up and we assured the financial institution, the American Farm & Mortgage Co. of Chicago, that the hotels were not to be included. But if that bill had been passed by the Senate prior to that time including hotels I believe it would have killed that deal.

Mr. MILLSPAUGH. Mr. Chairman, I think we had better recess for a few minutes, so that we can go and answer the roll. I will be back in 10 minutes.

Mr. REED. Have you anything further, Mr. Browning?

Mr. BROWNING. Not unless there are further questions.

Mr. REED. Shall we hear some of these other witnesses while you are away, Mr. Millsbaugh?

Mr. MILLSPAUGH. If they are somebody else's witnesses it is all right with me; none of mine, though.

Mr. SPROUL. I think the rest of the committee is pretty lucky; they all belong to Mr. Millsbaugh.

Mr. REED. Is there anyone present who wants to be heard? If so, we will hear them while Mr. Millsbaugh is gone.

Mr. LAMPERT. This gentleman wants to be heard, Mr. Chairman.

# **STATEMENT OF MR. E. W. OYSTER, 727 PROSPECT PLACE, WASHINGTON, D. C.**

(The witness was sworn by Mr. Reed).

Mr. REED. Do you desire to make a statement to this committee?

Mr. OYSTER. I do.

Mr. REED. Are you an official of the Government of the United States?

Mr. OYSTER. I was once, but I am not now.

My name is E. W. Oyster, 727 Prospect Place, which is near Petworth.

Mr. REED. What is your occupation?

Mr. OYSTER. My trade is that of a printer; my occupation has been very various in this city. I was on the board of assessors for five years.

Mr. REED. Whom do you represent here?

Mr. OYSTER. I do not represent anybody.

Mr. REED. Do you come as a tenant?

Mr. OYSTER. No.

Mr. REED. Or a property owner?

Mr. OYSTER. I have been, but I am not now. I have sold my properties. My wife died and I am living with my daughter now.

Here is the case of a gentleman who for eight years lived in an apartment house and paid \$30 a month for eight years. Then it was raised—

Mr. SPROUL (interposing). From what time till what time?

Mr. OYSTER. This was from about 1913, I should say. Then it was raised to \$32.50. He paid that for about a year.

Mr. SPROUL. When was that raise made?

Mr. OYSTER. That was raised in 1919. Then there was no lease for those rentals. Then in October, 1919, they presented him a lease to sign, for \$35. He signed the lease and paid that amount, but six months after that lease went into operation—it went into operation in October—in April of the following year they sent him another lease to sign—during the life of that first lease they sent him another lease to sign for \$45. That lease he refused to sign and appealed to the Rent Commission. That was before the law had been declared constitutional, and the Rent Commission fixed the fair price for the apartment at \$40 a month.

When he refused to sign the lease for \$45 the owner went to the municipal court with his case, demanding possession. The case was referred to the court of appeals with a number of other cases from the municipal court. It went to the court of appeals and from there to the Supreme Court. His case was one of those that went up to the Supreme Court, and the Supreme Court decided that it was constitutional.

He continued during the time of the interval after the opinion of the Rent Commission fixing the rent at \$40 and the decision of the Supreme Court—he put his money up every month with a bonding company, so that the owner was fully protected.

Then on October 1 of the year that this lease for \$35 expired they sent him a lease for \$52.50 for the same apartment.

Now, I only want to submit, Mr. Chairman, that violation of leases or contracts is not confined to one side. I know this gentleman. He is honest; he is worthy; his word can be relied on, and the records will show these facts if you care to investigate them, but he is so fearful of what might happen to him in case this law is not extended that he will not allow me to present his name here to the committee, and for the very reason that he is so afraid that if this law is not enacted his rent will not only go up to \$52.50 but probably to \$62.50.

Mr. SPROUL. What is he paying now, \$35?

Mr. OYSTER. He is paying \$40 now under the decision of the Rent Commission. They raised the rent from \$35 to \$40.

Mr. SPROUL. He was satisfied when he was paying \$35 that he was not paying any too much, was he?

Mr. OYSTER. At \$35?

Mr. SPROUL. Yes.

Mr. OYSTER. No, he was not complaining of that. He had signed his lease for it for a year, but before that lease had expired the owner comes along with another lease for \$45 and follows that up with another one for \$52.50. He did not sign the lease for \$45 nor the one for \$52.50. I am only presenting that as a case where it shows that it is not all on one side.

Mr. REED. He is there without any lease whatever at the present time?

Mr. OYSTER. Yes, sir; he is there under the decision of the commission and is paying \$40 a month regularly every month in advance.

Mr. REED. The owner is not violating any of his own contracts now in operating the property, is he?

Mr. OYSTER. Except that the Rent Commission has fixed the fair rental value at \$40 a month and he is presenting a contract to him for \$52.50. I do not know whether you call that a violation of contract or not. It is not a legal violation, perhaps, but it is a violation in principle.

Now, Mr. Chairman, I want to say this, that I believe the owner of property ought to be fully protected; if this bill is not perfect I agree that it ought to be amended so that the owner can be protected as well as the tenant. I believe that the tenants ought to be honest; if they are not honest they ought to be made honest by this law

if it can be done, and if the owners are not just, this law ought to compel them to be just. That is the position that I take.

In regard to these statements about what will happen if this law is not extended in the matter of rentals, I want to say this, that I have been investigating the operations of real estate men in this city for a great many years, and it was for that reason and the belief of the commissioners that I had good knowledge in regard to real estate values and assessments that I was put on the board of assessors. Now, I say I believe that if this law is not extended it will be an outrage upon the renters of this District.

I have one other case of a lady who has rented a two-room apartment with what I call a "blind kitchen;" that is, with no window, a skylight above, for \$60 a month. I told her it was an awful rent for the apartment, but you could not do any better, and fearing that if she did not have a lease she might be turned out any time she asked the owner "Will you give me a lease for a year on that apartment?" "Oh, no, nothing doing." Why? I asked these gentlemen, why would they not give a lease for an outrageous rent on that particular apartment, as I consider it, and I know something about what apartments and houses ought to rent for. There is only one reason for it: If this law is not extended, that rent will go up to at least \$75 a month. That is what will happen.

Mr. REED. The committee will stand in recess for a few minutes. The members have been called to the floor of the House.

(The committee recessed for 15 minutes.)

Mr. OYSTER. I would like just about a minute more to say what I think would be the effect of this law in regard to rentals.

When I went onto the board of assessors in 1914 rows and rows of houses were being built. That was before we entered the war or anyone had any idea we would. They were building rows and rows of houses for sale but none for rent, and I know that houses were held for sale for a year and a half before they were finally sold.

Mr. REED. Was that before the Rent Commission was created?

Mr. OYSTER. Yes; long before the Rent Commission was created. And what I think will be the effect now is that building will go on just as it is, and occasionally if the builder can build a row of houses and he finds some man who wants to make an investment, who is willing to buy those houses, he will sell them to him and let him take chances on the rental part. These men see what the rents are now and they figure up what they will pay for the property and whether they can make 15 or 20 per cent profit out of it, and they may buy the houses. But I say from my experience and my investigations for years here that there will be very little change so far as rental houses are concerned, whether this law is continued or whether it is not continued.

Mr. MILLSPAUGH. Mr. Chairman, I would like to put Captain Peyser on, please.

**STATEMENT OF MR. JULIUS I. PEYSER, WILKINS BUILDING, WASHINGTON, D. C.**

(The witness was sworn by Mr. Reed.)

Mr. REED. Are you in the Government service?

Mr. PEYSER. No, sir; I am not.

Mr. REED. You appeared before the committee during the war?

Mr. PEYSER. Yes, sir; three or four times.

Mr. REED. Do you have a statement you want to make, or has a member some questions to ask?

Mr. MILLSPAUGH. I want the captain to make a statement.

Mr. PEYSER. I am a resident of the District of Columbia and have lived here all my life. I was born in Washington, and have been practicing law in this city about 22 years.

In 1917 I was assigned to the housing and health division of the War Department. I was commissioned a captain in the United States Army in February, 1918, and detailed to the office of the Secretary of War and assigned to work pertaining to housing and health.

I assisted Mr. Ben Johnson, Member of Congress from Kentucky, in preparing what was known as the Saulsbury resolution, and I represented hundreds and hundreds of Government officials in court, defending them under the Saulsbury resolution.

In July I helped to frame a bill relative to housing, and later I prepared a bill, or outlined a bill, known as the Ball rent bill.

I might say I personally tried about 3,000 cases in court in my employment for the United States Government, representing only tenants. I made a test case of the

Saulsbury resolution and also was the attorney that handled the Hirsch Block case, that went to the Supreme Court of the United States. That case was tried in municipal court and reheard in the Supreme Court of the District, appealed to the Court of Appeals of the District of Columbia, which held the Ball rent bill unconstitutional. We obtained a writ of error to the Supreme Court of the United States and there the Supreme Court, as you gentlemen know, by a five to four decision held that the Ball rent bill was constitutional.

I do not want to go into the philosophy of the law; I just want to give you my experience. My experience for two or three or four years has been representing tenants. Even while I was retired from the Army—discharged from the Army—I continued in my private practice the representation of tenants.

I want to say now that I do not believe that the amendment to the Ball bill as passed the Senate will be very beneficial to the tenant. I do not know whether it will be beneficial to the landlord, but I think it will be a very bad thing, a very bad proposition to have any one of the commissioners to handle cases. I think the cases ought to be handled by the whole commission.

I do not think that the continuation of the Ball bill after May 22 will be as beneficial as many of the tenants think. I think the elimination of the Ball bill will be quite beneficial.

I want to say that some procedure ought to be instituted in the municipal court that will give the tenant the protection that he receives at the present time under the Ball rent bill. I think a hearing before a jury as to the use and occupation, the value, use, and occupation of the premises would be more beneficial than the fixing of a fair and reasonable rent as contemplated by the Ball rent bill.

Mr. O'BRIEN. May I interrupt there? By the procedure of these cases being tried in the municipal court as they ordinarily are, according to legal procedure, how many extra judges do you think we would need in the District of Columbia?

Mr. PEYSER. In the municipal court?

Mr. O'BRIEN. Yes.

Mr. PEYSER. I don't think you would need more than one, one more to assist. There is one court devoted entirely to landlord and tenant cases now that is hearing each day those cases, and after half past 10 there are very few cases to try, for this reason: If a complaint is filed it is filed under oath, and the defendant can not be heard unless he files an affidavit setting forth a question of fact to be heard by the board.

Mr. O'BRIEN. Do you think that two judges, then, could handle all these cases?

Mr. PEYSER. Absolutely, sir.

Mr. O'BRIEN. Isn't that the chief claim against the present Rent Commission, that even three can not handle all the cases, and that their calendar is so cluttered that they are adding two additional members to that board?

Mr. PEYSER. I want to say this in reply to that: It is a very hard proposition for the lay members of the commission to thoroughly understand the technical rules pertaining to 30 days' notice, service under the act, and propositions of that kind. If they had been trained in the law and were familiar with what we call "tenant by sufferance" and "term tenants" or "tenants by the month," they might be more able to pass on the questions coming before them.

Mr. O'BRIEN. Does it need an extreme legal education to understand what a tenant at sufferance or a tenant at will is? By mere experience, would they not gain that, and especially by the vast amount of business to be done here?

Mr. PEYSER. If that was the only proposition that they were handling, I would say, perhaps so, but they also have the other side of the bill, which pertains to the use and occupation; and in the hurry, and so many cases being brought there it delays and clogs the record. And I do think that when they take a case under advisement and consideration for two weeks before handing down a decision, that the argument advanced is all forgotten. If I were sitting on the commission or were a judge I would hand down a decision the very minute the argument was made on the points of law involved in the question of notice and the form of tenancy.

Mr. O'BRIEN. Then you do think that if the commission immediately decided a case, or decided it within a reasonable time, it would help the situation?

Mr. PEYSER. I do.

Mr. O'BRIEN. Your objection is to them withholding their decision?

Mr. PEYSER. I am not trying to criticize the commission. My objection is not to the commission but to the procedure. I will say this, as far as the commission is concerned, that they are very industrious, and particularly Mrs. Taylor who devotes a great deal of interest and careful consideration to matters brought to the attention of the commission. I am not criticizing the commission, but I do not believe it is

beneficial at the present time for the continuation of the rent law. Now, when I first framed that law it was absolutely essential that something be done to protect the tenant. There were thousands and thousands of cases, and no building whatsoever was going on in the city of Washington. Now if you go to the many parts of the city and see the great amount of building operations that are going on, while it is true the houses are built only for rental purposes—

Mr. MILLSPAUGH (interposing). For sale purposes you mean?

Mr. PEYSER. For sale purposes I mean, not for rental purposes—still there are sufficient new apartments going up to meet the emergency.

Another thing, there are so many people, Government clerks and others, who are so ambitious to live in the northwest section of the city, but the southwest and southeast and northeast are open to many opportunities. If you will ride through that section of the city you will find a good many houses there for sale and some for rent. There are, of course, some large houses in the northwest section of the city for rent, but the Government clerk getting such a small salary is absolutely unable to rent houses in the northwest section, such as Sixteenth Street. You might go along Sixteenth Street south of Florida Avenue, south of U Street, and you will find six or eight houses for rent but they want such terrible rentals for them that the ordinary person living in Washington, or the Government clerk, can not pay that price.

Mr. REED. Captain Peyser, from what I gather, do you feel that the Rent Commission has served its day, and that some policy should be adopted to let each tenant appeal to the court individually and thrash out his own case? Is that it?

Mr. PEYSER. I do.

Mr. REED. Would that not force every tenant to secure a lawyer; there being no commission to whom he could appeal for redress of his grievances, he would necessarily have to employ a lawyer?

Mr. PEYSER. In answer to that I will say that more or less the lawyers appear constantly before the Rent Commission, for both landlord and tenant. On the other hand during the war and that period after the war, the judges of the municipal court who held the landlord and tenant court, Judge Doyle and Judge Crosthwaite, were very careful and gave the tenant full consideration. The fact of the matter is they were absolutely sympathetic with the tenant problem. To-day, for instance, at the present time, Judge Mary O'Toole presides in the landlord and tenant court, and she certainly has given careful attention to the tenant as well as the landlord.

I have no particular ax to grind. I am interested in the city of Washington. I want to see the city of Washington improve, and I have reached the conclusion that since the war is over and we are getting down to normal conditions we ought to let the law of supply and demand meet the conditions. We are going to do it perhaps two years from now, and I believe that by October 1 there will be sufficient building operations in the city of Washington to meet the housing conditions.

I am chairman of the District Commissioners' housing committee and I have given very careful consideration in the past three weeks to this question. I have devoted extraordinary time; I have made thorough investigation from real estate offices as well as from the standpoint of the tenant, and I am more convinced now than I ever was in my life that the need for the commission at the present time is not such that it would justify Congress, in my opinion, in amending the bill or continuing the present law.

Mr. O'BRIEN. Let me ask you this: Is there a city law department here as distinguished from the corporation counsel's office?

Mr. PEYSER. There is the corporation counsel, and there are assistant corporation counsels in charge of different matters.

Mr. O'BRIEN. For instance, to correspond with the county counsel in other places, who represents the whole county, and different municipalities have their own legal advisers; for instance, the city itself generally has a corporation counsel, an assistant, and so on.

Mr. PEYSER. They have that; yes.

Mr. O'BRIEN. How many are there in that office?

Mr. PEYSER. I would not be at all surprised if there were six or seven assistants, one corporation counsel and six or seven assistants.

Mr. O'BRIEN. Does any one of them appear in behalf of the city in various proceedings?

Mr. PEYSER. Yes; in police court and the United States branch of the District court.

Mr. O'BRIEN. I mean as for the defense, not for prosecution purposes.

Mr. PEYSER. No; we have no public defender here. I practically held that position for three years during the war.

Mr. O'BRIEN. That is why I asked. Does anybody occupy that position now?

Mr. PEYSER. No. At that time all cases pertaining to tenants were referred to me by order of the different Cabinet officers. They issued official orders referring all



employees of the Government to my office, and gradually the public came in, and before I knew it I was handling all cases where the tenant was involved; never where the landlord was involved.

Mr. O'BRIEN. And you were over your ears in work.

Mr. PEYSER. At that time I was. Let me state now—I want to be frank—I have no interest on either side; I am only interested, I have always been interested in the tenant, and I think he will be benefited more by taking his matters into the municipal court rather than before the Rent Commission.

Mrs. Taylor is also on the same committee that I am on, this commissioners' committee, and I do not believe that we had more than 15 or 20 tenants annually who had any particular complaint. We advertised in the newspapers for four or five days to all angles of the different cases, landlord and tenant, and we had no tenants come before us to show where they were being treated unjustly.

So it is true, and it will always be true, whether the Ball rent bill is in force, whether the Rent Commission is in force, or the cases go to the municipal court, that somebody will try to take advantage of somebody else. That is true in all merchandising, and that is true in all business affairs, but to compare it with 1918 or 1919 or 1920 can not be done. There is no comparison between the pressure of the demand for homes and housing to-day and what it was during those years.

Mr. MILLSAUGH. Then you are opposed, Captain Peyser, to the extension of the Ball rent act, believing it unnecessary at this time?

Mr. PEYSER. I think the continuance of the Ball rent act unnecessary at this time. The conditions that justified the Ball Rent Act when I wrote it have passed.

Now, I will say this to you, that so far as loans are concerned, I find this: that you can not get any loans outside of the city of Washington for building operations, on account of this law. I do not know whether that has been called to your attention. I was in New York the other day—I am practicing law now—I was interested in a project and I spoke to one of the loan brokers in New York and he said that pending or during this legislation he is not inclined to send money down to Washington to loan. He does not want to have his money or his property tied up and such restrictions placed upon it. I never realized that until I heard it from the mouth of this broker.

Mr. O'BRIEN. That leads me to ask this question: Are there interests outside of Washington who are represented here in the building line, and who, to put it rather brutally, are more concerned with their own affairs than they are with the development of Washington?

Mr. PEYSER. I could not answer that, but I will say this: I am not interested personally—I am not interested in New York; I am anxious that building operations commence in Washington so that the housing situation may be remedied, and I thought that while the banks and trust companies of Washington can only make loans of 10 per cent of their capital and surplus, the big insurance companies in New York can make larger loans, and it is necessary to go to New York or Philadelphia or Chicago to get loans. I do not think they are interested in Washington. I will agree with you they are not interested in Washington, but the Washington people who are developing Washington are interested in the city.

Mr. O'BRIEN. Do you think that develops civic pride to any extent?

Mr. PEYSER. In what way?

Mr. O'BRIEN. In the city of Washington, that the people of Washington, the financial interests, for instance—and they represent many hundreds of millions of dollars—will not advance money to the extent of helping these developments when it is necessary?

Mr. PEYSER. They can not; they haven't enough money.

Mr. MILLSAUGH. Haven't they enough according to law to meet the requirements?

Mr. PEYSER. I do not know, because I never made a test, but I do believe that the trust companies are making small loans within their capital and surplus, 10 per cent of it. You know we have no insurance companies here. We have no large companies that could loan money like the Fidelity Mutual Life Insurance Co., of Philadelphia, or the Metropolitan Life Insurance Co., of New York. The trust companies here have a million dollars capital and can only loan 10 per cent of that to one concern, and you know a loan of \$100,000 on an apartment house costing \$600,000 or \$700,000 is a very small loan and they can not be built that way. These companies are restricted by reason of the percentage they can loan of their capital and surplus.

Mr. MILLSAUGH. My thought is this: That if these men who have the welfare of Washington at heart would get together and fix upon some determined policy, there is no question in my mind but what this going outside of Washington would materially and substantially help the situation.

Mr. PEYSER. I think it would. I agree with you there; I fully agree with you; but after all you and I or anybody else can not go to a man with a million dollars

and say: "Make this loan of \$500,000. If you don't make it, we are going to take it out of your pocket." We have to go to him in supplication and say: "I want this loan."

But I am not thinking of the rich man; I am not thinking of the millionaires or the brokers or the real estate men; I am thinking of the people in the District of Columbia who must be helped. That is all. I am thinking of the 300,000 people who are in need of help, either by small loans or by being enabled to buy their own home or given an opportunity to build.

Mr. REED. Right on that point, Captain Peyser, I think you are a good witness, and can give this committee information. I have been in your office in war time, when it was crowded with poor tenants who had no place to go and who were the victims of profiteers, and you were their friend. I have seen you in that capacity. You have had a wide experience.

Mr. PEYSER. I am still in that capacity.

Mr. REED. You have stated that you think it would be advisable to abolish the Rent Commission and not reenact the Ball rent law, but I understand you to suggest that there should be some different or additional remedial legislation and some further jurisdiction given to the municipal court to relieve tenants. I understand you are not in favor of abandoning the tenant entirely.

Mr. PEYSER. Not at all.

Mr. REED. But you want some legislation?

Mr. PEYSER. Yes, sir.

Mr. REED. Now, can that not be accomplished through the machinery of the Ball Rent Act, and have you some amendments to suggest to it that make it less objectionable?

Mr. PEYSER. Yes. I have not offhand, but I will say this, that at the present time the question of rental is not passed upon by the municipal courts. The only question of procedure they have are possession for failure to pay rent or violation of the terms of the contract—eviction. Now, I say if a tenant holds over, the rent ought to be fixed not by the judge of the municipal court, but we have a jury trial in the municipal court, and let the jury fix use and occupation. Under the old common-law form of use and occupation like we used to have it in the former days in the District of Columbia if an appeal was taken from the municipal court to the Supreme Court of the District of Columbia and judgment was rendered for the plaintiff, the judge did not pass upon the value of the use and occupation, but a jury passed upon that value of use and occupation, and you produced evidence the same as you produced evidence before the Rent Commission to show what the use of property in that neighborhood was worth, measured by cubic or square feet or by the cost of the building or by the present value or past value, whatever the yardstick might be, and that ought to be done.

Mr. O'BRIEN. That, then, gets back one of your original propositions, or part of the controversy between you and me.

Do you not think that is a rather cumbersome way of doing business? Do you not know how long it takes for a jury trial to be ended? One case alone may take a whole day; it may take longer.

Mr. PEYSER. Those cases would not take any longer than they do before the Rent Commission.

Mr. O'BRIEN. Have you ever awaited the appearance of the jury after considering the evidence?

Mr. PEYSER. Yes, sir; many times.

Mr. O'BRIEN. You know that only the Almighty ever knows what a jury will do.

Mr. PEYSER. Yes, on the question of yes or no, but this is not a question of yes or no; this is a question of fixing value. The question of whether a man is guilty or not guilty might be one proposition, but here is a question only as to value. The tenant may say he is willing to pay what it is reasonably worth; he may bring evidence to show that it is reasonably worth \$30, and the other side may bring evidence to show it is worth \$40.

Mr. O'BRIEN. That might produce this condition: If the jury of 12 men were to arrive at some conclusion as to a fair rental and it developed that that was the result of a compromise or the result of each man saying what he thinks it should be and then splitting it by 2, and those facts developed, you know that verdict would be thrown out.

Mr. PEYSER. But how is it done before the commission? I had a case not long ago before the commission—I will give the name of the case for the benefit of Mrs. Taylor, so she will remember it. The case was Rudolph & West Co. against Livingston. Mr. Livingston originally rented the house for \$50 a month, Mr. West was very

ambitious for Mr. Livingston to pay a higher rent. We brought some witnesses to show what property in that neighborhood was worth, and Mr. West brought some witnesses in, and the commission came to a decision which was satisfactory to both sides. That could be done by the jury just as well.

I am afraid that a commission does not take the same cognizance of facts that the court and jury do. I feel that a court and jury at the present time considers matters in a different light. Of course, under the terms of the Ball rent bill, the rules of evidence and the rules of pleading are abolished. I wrote that into the bill because I thought it was necessary at that time that the rules of evidence and the rules of pleading be abolished and that it should be only informal hearing. I think the time is passed when that procedure should be followed and I think that the informal hearing of the commission should be abolished. I think it ought to be more formal. I think you can expedite matters by more formal hearings.

Mr. O'BRIEN. Now, that jury business makes me inclined to disagree with you, for this reason: From practical experience—

Mr. PEYSER (interposing). I have seen it work in practical experience.

Mr. O'BRIEN. I presided over the court of special sessions, where it was customary to ask the defendant if he wished to be tried then and there or to have his case disposed of by the grand jury with eventual appearance in the court of oyer and terminer, and in nine cases out of ten they preferred to be tried then and there, without a jury, so as to have it summarily disposed of.

Mr. PEYSER. In criminal cases you are right.

Mr. O'BRIEN. I mean the same principle applies in civil cases.

Mr. PEYSER. No; I do not think the same principle applies.

Mr. O'BRIEN. I mean as far as expediency is concerned in this particular instance, having it done with.

Mr. PEYSER. If that can not be done by a jury trial, then I will say I wish it was possible that we had a judge like Mrs. Taylor down in municipal court. I told Mrs. Taylor that yesterday. I think Mrs. Taylor is a very capable woman and worthy of great consideration, and if it were possible I wish the law could be amended so that if it were a municipal court trial Mrs. Taylor would be appointed one of the judges.

Mr. HAMMER. I hope you will unite with us in making that recommendation when the time comes.

Mr. PEYSER. I will.

Mr. REED. I want to ask Captain Peyser one more question, going to the merits of the bill.

Taking it for granted that the Rent Commission will be continued, from your experience do you believe that the scope of its authority should be extended to business property as well as residence property?

Mr. PEYSER. If it is to be extended, I would eliminate business property and hotels.

Mr. REED. That is what I wanted to know.

Mr. HAMMER. Do you not think that if we undertake a jury trial for this class of cases, it would be necessary for the judge to refer a great many of the cases—

Mr. PEYSER (interposing). No.

Mr. HAMMER (continuing). Refer a great many of the cases in order to get the evidence that might be taken? It would take so much time in court.

Mr. PEYSER. It would not take so much time.

Mr. HAMMER. Is not this a class of investigation that is more like the work of a railroad commission or the War Claims Commission? We have a War Claims Commission that settles claims up to a certain amount, and above a certain amount it goes to court, and it has been found to be very satisfactory; it takes so much trouble and so much burden and work and expense off the court.

Mr. PEYSER. Let me give you an illustration of that. I am going to answer that. I am here as a citizen of the District of Columbia. I don't represent any real estate people. I am still under a sort of court-martial. The real estate men brought charges against me, and they referred the matter to the Army, and they brought charges in the Inspector General's office because of my activities during the war in helping the tenants; but I will say this: It takes longer, at the present time, to get a case heard before the commission than any place I ever heard of, and it is not the fault of the commissioners.

I filed a case in October. The answer was filed within 10 days thereafter. That case has never been called and has not been heard. That has now been seven or eight months. I can file a case in the municipal court, and at the end of seven days have it heard. Cases in the municipal court are never continued; they are always heard. You can hear them call a roll of 50 or 75 cases in the morning and by 10.30 or 11 o'clock Judge Mary O'Toole is through with them.

Mr. HAMMER. Is that municipal court a criminal court?

Mr. PEYSER. No; it is simply a civil court.

Mr. O'BRIEN. To try landlord and tenant cases?

Mr. PEYSER. And debt and damage cases up to \$1,000. We have a United States branch and a District branch of our courts here; the one for violation of District regulations, and the other for offenses against the United States.

Mr. O'BRIEN. May I ask this? You protect yourself—I say this frankly—against the possible wrath, even of the gentler sex. If the Rent Commission is not responsible for the delay, then who is responsible?

Mr. PEYSER. Well, I will tell you. I will answer that.

Mr. O'BRIEN. They have all—well, I won't say equivocated, or dodged that issue—but everyone qualifies by exonerating the Rent Commission here, and yet they say it takes months to get a case heard.

Mr. PEYSER. I think I can answer that. The Rent Commission was a new proposition. Nobody ever heard of a rent commission before. With the help of Senator Saulsbury and Congressman Ben Johnson and a few others we worked out this proposition. The nearest approach we could find to a thing of this sort was the discovery that Justice Fields once said that if it was true that you could make laws regulating elevators, some day the time would come when you could regulate rents. We grabbed that straw and made a rent bill. That was no easy thing to create. They had nothing to follow. They had to make regulations and rules; they had to have a form of procedure; they had to set their formal docket up. They had all those things to do before they could put the machinery in operation.

I am very frank, and I fear nobody in Washington, and when I say what I am going to say, it is not because Mrs. Taylor is here, but because it is true. I haven't said that about the other two commissioners. I haven't said that I think the best interests of the landlords and tenants are served by the other two commissioners. I don't think they really understand the proposition. I don't think they apply the measurements and measure a fair and reasonable rental in the right way. I don't think you can take this question of rental and say, "Because of such and such things, the rental must be \$80." You must know what the building costs; you must know the amount of taxes, insurance; what property in the neighborhood will bring; what it cost originally to build; what is the value of the property to-day. All of those propositions ought to enter into the figuring up of a fair and reasonable rental. I say that Mrs. Taylor does do that.

Mr. HAMMER. Permit me to say that the commissioners claim that they do that.

Mr. O'BRIEN. Under the jury trial system, wouldn't the jury be subject to the same inconveniences?

Mr. PEYSER. It wouldn't work out that way with a jury trial, for this reason: I think, first, that the municipal court could handle it—

Mr. O'BRIEN. In other words, give the plaintiff the option?

Mr. PEYSER. Yes. I feel that the municipal court is the poor man's court. There is no declaration to be filed, like in a high court. You can file your plea in a case involving one to five hundred dollars. That is all the pleadings you need in a municipal court. I don't say that the judges down there have plenty of time, but they certainly have expedited matters in the past two years. At one time municipal-court cases were appealed to the district court. They are not now. There is no right of appeal from the municipal court to the Supreme Court.

Mr. HAMMER. Doesn't the commission have in its hands and doesn't it utilize the evidence Mr. Richards has?

Mr. PEYSER. Well, let us see what his information is. Let us see who gets the real information. Mr. Richards sends a man around with a card, and this man asks, "Mr. Jones, how much will you sell this property for?" "Oh, I will sell it for about \$8,000." Now, the man writes down "\$8,000."

Mr. HAMMER. Is that all he does?

Mr. PEYSER. That is all the information he gets.

Mr. HAMMER. Doesn't he have a very superior knowledge of the value of buildings?

Mr. PEYSER. Then he sends his appraisers or assessors out to view the property and look it over, but I mean that the true value is not obtained—the cost of the building or the sale price of the building is not obtained in that way. After all, it depends entirely on the viewpoint the judge or commissioner might take as to what the value of the property is at the time when the rental charge demand is made.

Mr. HAMMER. I think your friend, Mrs. Taylor, wants to ask you a question, if it is permitted now. Mr. Chairman, Mrs. Sternberg is present, and when Mr. Peyser has finished she has some information she would like to submit. It will take only 5 minutes.

Mr. O'BRIEN. May I ask a question? Can you tell me, offhand, how many residents of the District own their own property—what percentage?

Mr. PEYSER. I couldn't answer that. That is something I don't know. Of course I can say this to you: I know that the builders who are building these houses at the present time are not building the houses for rental purposes. They are building them for sale purposes alone. All of them say that. I investigated that phase of it.

Mrs. TAYLOR. May I ask Captain Peyser a question?

Mr. REED. Certainly.

Mrs. TAYLOR. Captain Peyser, you asserted that you thought there was no shortage of houses in the District, after having said that you were chairman of the committee on committees—

Mr. PEYSER (interposing). I didn't say there wasn't a shortage at the present time. I said that if they kept on building the way they are at the present time there wouldn't be any shortage.

Mrs. TAYLOR. You didn't say there wasn't a shortage?

Mr. PEYSER. No, I didn't. I didn't say there wasn't a shortage at the present time. I said if they kept on building, there wouldn't be.

Mrs. TAYLOR. You said you were chairman of the committee on committees?

Mr. PEYSER. Yes.

Mrs. TAYLOR. Of that committee formed by the District Commissioners?

Mr. PEYSER. Yes.

Mrs. TAYLOR. And you said that having been on that committee for some time you had come to the conclusion that there wasn't a shortage, didn't you?

Mr. PEYSER. Oh, no. I said if they kept on building as they are at the present time, there wouldn't be any shortage by October. There are shortages. I told you the other day there were shortages, but I have devoted more time to it since I have been on that committee.

Mrs. TAYLOR. The survey committee that was appointed to determine whether there was a shortage has not reported?

Mr. PEYSER. No. It has not reported. That was my own individual investigation.

Mrs. TAYLOR. Well, evidently I misunderstood you. I thought you had stated there wasn't a shortage at the present time.

Mr. PEYSER. No. I will repeat for the benefit of the record that I didn't say there was no shortage at the present time, but I said that if the same amount of building as at the present time will continue until October, I think it will meet the housing conditions.

If I may say one word more about this municipal court proposition. I think it is well that the municipal court be given jurisdiction on the question of notice. They always have that proposition, and they are governed by precedents and cases that have gone to the court of appeals. While one of the members of this committee said there wouldn't be any great amount of knowledge necessary of the different forms of tenancy, I think one of the most complicated features of the law is landlord and tenant, and 30 days' notice, and whether a tenant is a tenant by sufferance, tenant by the term, or month to month. I think it is very important for those passing on it to have full knowledge of that proposition of the law.

I made a memorandum from the records also relative to profiteering. I find on my investigation of the past two or three weeks that a great deal of overcharges are being made by rooming houses. I know cases where, for instance, a man or woman will rent a house for \$30 or \$40, and get out of one room as much as they pay rent for the entire house.

I can give an instance on Sixth Street, between G and H, where a person was renting a house for \$35, and was getting \$92 rent out of the house.

I know of other cases in different parts of the city where that was being done, and that was one of the troubles we did not cure by the Ball rent bill. We did cure it in a measure by the Salisbury resolution. The room was in there. We said "room and dwelling." But by the Ball rent act we did not cure the question of furnished rooms as well as it ought to be cured.

Mr. MILLSPAUGH. As a matter of fact, Captain Peyser, do you not think that the greater per cent of the trouble at present is caused by the subleasing proposition, as to profiteering?

Mr. PEYSER. I will go further than that and say that three-quarters of it is caused by that.

Mrs. TAYLOR. But the subtenants have exactly the same opportunity of coming before the Rent Commission as the tenants do.

Mr. MILLSPAUGH. Mrs. Taylor, I would like to have you sometime, if you have time, to go through the list of cases I have of subtenants. They talked here about the profiteering landlords and the rent hogs—they are not to be compared to the sublessors.

Mrs. TAYLOR. I didn't say anything about profiteering landlords or rent hogs. I never in my life expressed the opinion—

Mr. MILLSPAUGH (interposing). The public gets that impression. That is the public's impression—rent hogs and profiteers. But they are not in the same class with these people that own not a stick of property, that lease a number of apartments, buy some secondhand furniture, and double the rent.

Mrs. TAYLOR. We fix the rents on those cases all the time.

Mr. MILLSPAUGH. I know, but you don't do it fast enough. Isn't it a fact, Captain Peyser, that the Rent Commission is further behind now than it was the 1st of October last year?

Mr. PEYSER. I can't answer that. I know that there was an apartment rented on Sixteenth Street for \$60. It was furnished and \$300 obtained for the furnished apartment.

Mr. MILLSPAUGH. That is the trouble.

Mr. PEYSER. That is absolutely a fact, and I have all these in my office. All the statements I have made here I can bring in sufficient proof to sustain them. I am trying to help the city of Washington here; I am trying to help the owners of property; I am trying to help the tenants, and I believe that if we ever get down to normalcy, where the law of supply and demand would operate, that we would be better off and the city of Washington would be better off. I believe that building would start and that the rental business would start.

Mr. MILLSPAUGH. I agree with you. I hold no brief for the landlords; I have no connection with them; I don't own a foot of property and my whole effort is in the interest of the tenants. I hope to see him taken care of, but I think this is a short-sighted policy.

Mr. PEYSER. So far as I am concerned, I would be willing to give two years of my time for nothing to have the tenants appear before the municipal court. I told Secretary Baker that I would give two years of my service. I gave six months. That is all that was necessary. I am willing to serve my city by giving them the best of my advice and experience, but I think if we tie this down with restrictive laws, the interests we are striving to serve will not be served. The liberty of contract, privilege of speech and everything will be juggled up so that we won't know ourselves if we adopt very many more of these restrictive measures.

Mr. MILLSPAUGH. You have had considerable experience and that is why I want to ask this question of you. Referring to section 7—

Mr. PEYSER (interposing). The amendment?

Mr. MILLSPAUGH. Yes; which Mr. Brown, the attorney for the commission testified yesterday had been put into the act to give it teeth, because the provision similar to that under the present law was not enforceable. What is your opinion of that section?

Mr. PEYSER. I think it is the most dangerous section ever written in a law.

Mr. MILLSPAUGH. It sounds like it was written in Petrograd, doesn't it?

Mr. PEYSER. Worse than that. I don't think they would be guilty of urging a section like that in Petrograd. I think, maybe, in Persia, where you can't reach them by three months of travel, they might write it. This was talked over when the act was written—how to put teeth in it. I think it is a mistake to put teeth in these things. It is a question of intentions and good fellowship, and I don't think that threatening them with fines of a thousand dollars or jail for 60 days is going to help the cause along.

Mr. MILLSPAUGH. If that provision were enforced, with that clause in there would there not be endless litigation? Wouldn't the tenants, as testified here yesterday, when one tenant from an apartment said that he had to keep his overcoat on to keep warm, and another tenant from the same apartment testified he had to keep the window open to cool off—wouldn't that condition of affairs prevail, that on the slightest provocation they would threaten the landlord with prosecution, and thus start up an endless litigation?

Mr. PEYSER. It would be more like blackmail. If you will examine the first four lines of this section you can see that you may require these books and papers from any place in the United States to be produced at any designated place of hearing. You may take a man all over the United States—Montana, for instance, and force him to appear. We have rules of ordinary law where you may file interrogatories or take testimony at certain designated places, but to not make search warrants of it, as this virtually does.

Mr. MILLSPAUGH. As a matter of fact, the finest apartment in Washington, or New York City, or any other city, is subject to weather conditions, so that if the wind is in the extreme north in a blizzard, it is impossible to heat those north rooms up to 70°, while the rooms on the south end of the suite will be unbearably hot?

Mr. PEYSER. In the first place, in answer to that, take the wording of the provision, "have in his power to do so." He is going to test what is in the person's power "to do so." It is an attitude, part philosophy and part mental. On the other hand, I want to say about the landlord and tenant, I do not think they should be put in the criminal class, and by enacting this section you put them in the criminal class. You say all landlords are thieves or robbers. Take a man like Harry Wardman, who was, I may say, the savior of Washington. If we had no men like Harry Wardman in 1916, 1918, and 1920, we would have had a panic, insurrection, and riots. When it was a hard job to get a preference permit from the Treasury Department, Wardman went ahead and built and built. Are you going to say that this man, who was a savior to the city of Washington, are you going to say that he is a criminal, and say to him, "If you build any more houses, you are going to be faced with this section?" No. I say you have no right to do it. I don't believe in putting teeth in the law. I believe in treating these people with conscientiousness and self-respect, any by doing so you will get more out of it.

Mr. REED. Isn't it a fact, Mr. Peyser, that the statutes in most of our cities contain very drastic legislation that is not rigidly enforced? For example, most of our States have fine and imprisonment for taking the name of God in vain, for swearing, and yet courts and juries are human, and the judge himself feels that he has got to vent his feelings sometimes, and he doesn't strictly enforce the law.

Mr. PEYSER. I will say this: That if this is put in, it will be enforced.

Mr. REED. Isn't that in now?

Mr. PEYSER. No, sir. Compare the two—

Mr. REED. That you have to furnish heat—

Mr. PEYSER (interposing). Oh, yes; that is in there.

Mr. REED. Do you think, in Washington, the tendency will be to deal unmercifully with people under a statute of that kind?

Mr. PEYSER. If a man is convicted there is nothing else for the court to do except to fine him or give him a sentence. There is no option to the court—a fine of \$1,000, a year in jail, or both.

Mr. MILLSAUGH. If found guilty:

Mr. PEYSER. If found guilty. I don't believe any court would take it upon itself to violate the section.

Mr. MILLSAUGH. Nor do I, and I am surprised at the chairman's construction, because it is just that ignoring of the statutes, with its consequent failure to carry out their provisions, that breeds contempt for the laws. That is what is the matter with your prohibition laws to-day. That is the great argument of the "wets" right now.

Mr. PEYSER. I am thinking of the tenants, as well as those who own property. If they give the landlords a chance to earn sufficient money on their investments, I think the situation will take care of itself. Clothing and food and everything may be up. You haven't restricted those things. When you restricted them during the war, I heard that Congress was ready to cancel all those restrictions, but not the Ball rent law.

Mr. MILLSAUGH. There is just another point I want to bring out. You stated awhile ago that you believed three-quarters of the trouble was caused by subrental. Suppose that law was enacted; under that provision if the owner of a building fails to maintain proper heat, fails to maintain proper elevator service, in the opinion of a tenant, a subrenter, would not the action of the subrenter under that law be against the owner of that building, instead of the one he rented from?

Mr. PEYSER. Yes, sir. It says, "Any person who fails," etc. I think so.

Mr. MILLSAUGH. Then the person who does the subrenting and is profiteering is the one who escapes?

Mr. PEYSER. It punishes the man who owns the building.

I want to say something, Mr. Reed, about the business properties. I don't think, if the committee, or Congress, decides to continue the Ball rent act, that it ought to include business property. I think it would be a terrible hamper on business. On the other hand, I don't think hotels ought to be punished, and for this reason. We are, in Washington, undertaking to get conventions for the purpose of building up the city. The citizens' committee—I do not belong to it—but they are advertising for conventions. There is the physicians and surgeons here this week. Last week we had the oculists. If we bring these people here and put restrictive prices on the hotels, then I think they would be the ones to suffer. I think if you do continue the law, which I hope you will not, that it ought not to include business property and ought not to include hotels. I am saying this, although I am not interested with any business property except the one I am connected with.

Mr. REED. You think there should be legislation designed to prevent exorbitant hotel charges when there are conventions in Washington. Take, for instance, occasions when there was some important event in Washington, during which the hotels have charged as high as \$25 a day for rooms, if they could get it. What is your idea as to that?

Mr. PEYSER. Are you speaking of the inauguration? I think that possibly some of the hotels did overestimate their strength, and did make a wrong charge, but I think that may be regulated by a simple act of Congress.

Mr. REED. That is a detriment to Washington?

Mr. MILLSPAUGH. It is; and I understand men who are working in conjunction with the hotel men's association are trying to cure that. That is not different from any other city. I was attending a convention in Chicago recently and had to pay \$17 for a room. I had a single room at one of the hotels in New York and had to pay \$8 for it. I don't believe the Shoreham charges more than \$5, and I don't believe the Wardman charges more than \$3.50, or the Raleigh more than \$5 for this convention going on in this city now. In New York, however, they are permitted and encouraged to charge \$8 or \$9 for a single room, and the double room they have in the Biltmore to-day is \$12.

I hate to think that the citizens of the District of Columbia have upon themselves the mantle of the profiteer. I think, undoubtedly, some of them made a mistake. It was overzealousness and ambition to collect money. That was true, not only of Washington; it was true all over the United States. People were ambitious to make money. Some of us served our country; others thought they ought to take advantage of the proposition. I am in favor of the city of Washington getting back to normal conditions, where the builders will go ahead and build; where the people in a position to do so will go ahead and make their loans, and go ahead and build houses for rental and sale purposes.

Mr. MILLSPAUGH. As a matter of fact, everything that has not been restricted has gone down in price, while those that were hampered by restrictive laws have remained high?

Mr. PEYSER. Yes. That appears to be so. The minute they took the price off sugar, I think sugar went down very low, and I think that proposition is correct. I think, to-day, if restrictions were taken off property, such as these restrictions, there would be a great deal more building, and we certainly have some building now. If Mr. Reed, or any member of the committee will ride over the Fourteenth Street extension, or the Sixteenth Street extension, or Kenyon Street, you would see hundreds of houses being built, and it is encouraging property owning. It is encouraging the man and woman with a small salary to buy a home that he and his wife and family are going to live in the rest of their lives. That is a life-saver for the country. I am a great believer in this home buying. I am not interested in any real estate firm, but I believe it ought to be encouraged by the Government.

Mr. REED. Then you would say that if we have a law that encourages the purchase of homes and which would make Washington a city of home owners, rather than a city of renters, it would be better?

Mr. PEYSER. I think so. I think, ethically, it is more to be desired. When you rent a house, at the end of the month you have no interest in the house.

That is all I have to say, and I thank you very much. I feel that I have been doing my city justice by coming here and testifying.

Mr. OYSTER. In justice to the assessors, I would like to correct a statement made by Mr. Peyser. I was out of the room at the time, but I was told he said that the assessor made assessments by sending a man around with a card.

Mr. REED. Oh, no. He said that was one source of his information.

Mr. PEYSER. I didn't say anything about the assessor. I said that a clerk was sent around to find out what the property was sold for—that was one step.

Mr. OYSTER. A number of assistant assessors, Mr. Chairman, make the assessments. The gentleman sent around with a card is getting information, but I want to say that Mr. Richards, who was called here and was then called away, is one of the most efficient, one of the best assessors—

Mr. PEYSER (interposing). I didn't say anything about the assessor.

Mr. OYSTER. And the Rent Commission gets their information on that score from him.

Mr. PEYSER. I want to say that Mr. Richards is one of the most efficient men we have in the District of Columbia.



## STATEMENT OF MRS. HERBERT M. STERNBERG.

Mr. REED. Are you in the Government service?

Mrs. STERNBERG. No, sir.

Mr. REED. Do you wish to make a statement?

Mrs. STERNBERG. I do.

Mr. REED. Give your name and address to the reporter.

Mrs. STERNBERG. Mrs. Herbert M. Sternberg, 1919 Nineteenth Street NW.

Mr. REED. Do you appear in behalf of the tenant?

Mrs. STERNBERG. I don't appear on behalf of anybody, except that I saw this notice in the paper. Tenants unfortunately do not have any appeal to the public, and seeing that the landlords, a great many of them, had been represented and the tenants, unfortunately, not, I am here simply as a matter of justice, because I have seen justice, and I have seen terrific injustice.

I came up here to make a little statement, and I took the trouble to-day to go down to Mr. Haley and get some evidence that is not quite in line with the statements made by Mr. Peyser. He says that he believes if the Ball Rent Act were abolished entirely, business conditions and things would adjust themselves and all that sort of thing, and that building would again start in, but I have the evidence here showing the amount of building in January, February, and March, and also April, and it is simply tremendous, and I would like to submit it.

Mr. REED. Wasn't that submitted by some one on yesterday?

Mr. MILLSPAUGH. Yes; and put in the record.

Mrs. TAYLOR. This is a statement with regard to the amount of building that is now going on.

Mr. MILLSPAUGH. That doesn't dispute what Captain Peyser said. He said the same thing. He said he would like to have the committee go out on Fourteenth Street and Sixteenth Street and Kenyon Street and see the immense amount of building now under way.

Mrs. STERNBERG. Pardon me. I understood that was Mr. Peyser's own opinion. These are facts.

Mr. MILLSPAUGH. Yes. Mr. Hammer yesterday put that in the record.

Mrs. STERNBERG. I understood from Mr. Peyser that that was his opinion. This is not my opinion; these are facts.

Mr. REED. If you would like to leave that with the committee, there are no objections.

Mrs. STERNBERG. There is just one other correction I would like to make of Captain Peyser's statement, if I may. He is not here. Shall I make the statement?

Mr. REED. Yes.

Mrs. STERNBERG. Mrs. Taylor knows nothing about this, but he made the statement that the other two commissioners did not weigh the merits of a case in ascertaining the value of a property, the purchase price and all the incidentals necessary to the establishment of the purchase or sale price of a property. I know that they do, because, unfortunately, I lived in a building for over three years and had no trouble absolutely under a certain landlord, but it was taken over by a landlord who was not quite sane and great injustice was done in the house. They were all going to protest, but no one did, because he wouldn't commit himself on our rents or leases.

I took it personally up to the Rent Commission. Mrs. Taylor was not present at all. The other two commissioners were. I had no lawyer, simply facts, nothing but the facts, and I had gotten them from the records in the Real Estate Title & Insurance Co., and I had absolutely all the facts, something that I had verified, and they were absolutely based upon the condition of the property and the neglect on the part of the landlord to fulfill the requirements, and Mrs. Taylor had nothing to do with it, just the other two commissioners.

Mr. MILLSPAUGH. Now, Mrs. Sternberg, I didn't want to have to question you, but I am afraid I will have to do it.

Mrs. STERNBERG. I will be glad to answer your questions.

Mr. MILLSPAUGH. They will be perfectly simple—

Mrs. STERNBERG. Yes.

Mr. MILLSPAUGH. And I hope, simply perfect.

Mrs. STERNBERG. I hope so, too.

Mr. MILLSPAUGH. You say, of your own knowledge, you know that the other two members of the commission do take into consideration the cost of the building when it was built—

Mrs. STERNBERG. Absolutely.

Mr. MILLSPAUGH. The cost of the building as it would be at the present time?

Mrs. STERNBERG. Absolutely.

Mr. MILLSPAUGH. Taxes?

Mrs. STERNBERG. Yes.

Mr. MILLSPAUGH. Insurance, and all that?

Mrs. STERNBERG. Yes.

Mr. MILLSPAUGH. You stated they did that in this one case?

Mrs. STERNBERG. Yes.

Mr. MILLSPAUGH. And you were there?

Mrs. STERNBERG. I was.

Mr. MILLSPAUGH. And doesn't the commission sit day after day when you are not present?

Mrs. STERNBERG. I had reason to believe that they would be just as zealous. They were appointed by the President, confirmed by the Senate, and I have no reason to believe they are not absolutely fair and square.

Mr. MILLSPAUGH. I am not saying anything about their being fair and square. They no doubt are.

Mrs. STERNBERG. They have always been fair.

Mr. MILLSPAUGH. If this committee were of such a mind as that, we could probably fill this room with people, half of whom would say they thought that the commission was efficient and half would say they were not, who had never been to the commission and had not watched them operate. The testimony we are trying to receive is testimony of those intimately connected with the commission.

Mrs. STERNBERG. May I make another statement? I heard Captain Peyser state that they advertised their hearing in the paper for four or five days. Now, there are a great many women who are in business, widows, and what not, who are engaged in the same pursuit I am engaged in, that of educating my children, and they do not see the papers or for various other reasons do not care to come into a public place. They are timid about it, just as I am timid about coming here. It happens that those women do not go to those places. Secondly, they are not represented, while, on the other hand, the landlords keep in touch with this situation. They know just what is going on; they have their lawyers. I had no lawyer when I went down to the Rent Commission. I had my own simple statement. Yet, there was the landlord, with five witnesses against me.

Mr. MILLSPAUGH. How long did it take you to get action?

Mrs. STERNBERG. I couldn't tell you.

Mr. MILLSPAUGH. Approximately?

Mrs. STERNBERG. Approximately two weeks.

Mr. MILLSPAUGH. What do you think about these poor people who have been seven or eight months without action?

Mrs. STERNBERG. That convinces me that they must have been overrun with tenants who were protesting.

Mr. MILLSPAUGH. What do you think of the Meridian Mansions, filled with Senators, Congressmen, and millionaires, whose case was heard without that delay?

Mrs. STERNBERG. The case must have been very urgent and very strong.

Mr. MILLSPAUGH. That is what one of them said; the case was so strong it gave the commission the nightmare; that the Senators and Congressmen and millionaires pestered them so much and brought so much pressure to bear that it gave the commission the nightmare, and they had to do that to get rid of them.

Mrs. STERNBERG. I am not in a position to tell about that, but I have seen the most pitiful colored people up there; I have seen cases come up there which have been very carefully attended to. They have received quite the justice that any Senator would get. I have seen the commissioners themselves interested in those people.

I simply wanted to make this statement. Captain Peyser has his ideas and I simply wanted to submit some correction to the statement he made that the other two commissioners were not fair, because I found them most just.

#### STATEMENT OF JOHN T. M. BOWIE.

(After being duly sworn by Mr. Reed.)

Mr. BOWIE. I am in the real estate business, associated with H. L. Rust, at 912 Fifteenth Street. I have been so engaged for the last 18 years, in charge of the rental department of that office. We have under our control some thirty-odd apartment houses of all sizes and descriptions, amongst them the Meridian Mansions, 2400 Sixteenth Street, until about the 1st of April, having been agents for the owners from the time it was built until the 1st of April just past.

Now, it is my judgment and opinion that there is no emergency existing at the present time to warrant the extension of this rent act, and to substantiate that statement I have some few observations that I wish to make.

I have come to that conclusion after careful reflection and a comparison of conditions as they exist to-day with those that existed during the war and shortly after the war period. We find that practically everybody is housed in some fashion. They may not have exactly what they want, but they are being taken care of. The demand for rental accommodations, I believe, has been largely met. We have to-day listed in our office for rent a great many apartments, most of them furnished, at very reasonable rentals, many of them for very little more than the apartments rent for unfurnished.

There are very few applicants, and as the summer advances the applications will diminish and there will be a still greater number of accommodations available.

I would like to cite one instance that is rather pertinent, I think. Our office is located on Fifteenth Street, adjoining the University Club, fronting upon McPherson Square. On the third floor of that building we have a very attractive and desirable apartment of five rooms and bath. That became vacant on the 15th of January. We immediately proceeded to put it in condition, papered it and painted it throughout, revarnished the floors and polished them, and we have been offering that apartment since that date for \$100 a month, and though it has been advertised at least 15 times in the newspapers, we have been unable to rent it. The tenants, we find, who are looking for accommodations are very discriminating, but the only reason I can give for it, having interviewed a great many applicants for the apartment over our office, is that the ladies object to being there alone after the usual working hours, there being no occupants in the building after the working hours of the office.

During the war and following the war we devised a method of putting down listings of applicants for apartments. We kept those in order, and when an apartment became available we turned to that list to find a tenant. We have found the operation of such a list under present conditions is practically useless. We will turn to that list to-day, when we have something to offer, and we will submit it to a great many people. We find that they have either located or what we have to offer doesn't have southern exposure or other desirable features that they want, and they pass it up, and we frequently have to resort to advertising to fill these accommodations when we have them available for rental purposes.

Another evidence, I think, of the meeting of the shortage is the fact that a year or two ago many were actively engaged in the cooperative selling of apartments. I believe that the average person would not buy an apartment on that plan if he could possibly find one to rent. To-day that particular business is practically at a standstill. I don't know of any firm that is engaging in it extensively, if at all.

There are a great many evils that will result from an extension of the act, and one of them is brought home to me particularly. There are a great many houses that are vacant that are now being offered for sale. It is questionable when they will be sold, and if an owner could rent it under a contract that would be binding and could not be altered or changed, I believe that we would find a great many houses put on the market for rental purposes.

I recently moved from Chevy Chase and I now own a house up there. I moved into the city the first part of January and I have carried that house vacant on my hands ever since. I want to sell it, but I can not afford to put a tenant in there who might go to the Rent Commission to have his rent reduced, who might refuse to show the house to any prospective purchasers that wanted to view it, and, summing up all of the conditions, I have been carrying that house along at a loss of about \$100 a month.

Now, I believe that if we had no rent law a great many of those houses would be put upon the market. I certainly would have rented mine. I think that a great many would be available for rental purposes.

One other observation that I wish to make is this: That there has been a great deal of buying and selling of apartment houses; that the good old-fashioned landlords that took an interest in their property are selling out, getting rid of them, and I believe they are doing that largely because of the entanglements thrown around the properties through this rent act.

Mr. Rust, my chief, was one of the owners of 2400 Sixteenth street, and I believe—I am certain—his reason for selling his interest in that property was largely due to the rental difficulties that he had during his ownership.

I think it offers a profitable field for the speculator and the manipulator to acquire these properties, and we do not know what they mean to do with them. Mr. Rust did not sell his interest, however, to that type.

Mr. MILLSAUGH. You are familiar with the building situation here, by virtue of your business. There is a tremendous amount of building going on in Washington at the present time, is there not?

Mr. BOWIE. Yes, sir.

Mr. MILLSAUGH. What percentage of the houses that are now being built would you think will be for rent?

Mr. BOWIE. There isn't one that I know of that will be for rent.

Mr. MILLSAUGH. The other day, Mr. Bowie, I exhibited to the committee a clipping from the Sunday Star, over three yards long, of apartments that are for rent. One of the members of the commission, Mrs. Taylor, stated, I believe, that that was propaganda, and that those apartments were not for rent; that if you went to find out about them, you would find that the paper was filled with ads that didn't mean anything. Do you think that is the condition?

Mr. BOWIE. No, sir; I do not. We had several advertisements in the paper over Saturday and Sunday.

Mr. SPROUL. Mr. Chairman, I think my friend has not stated that just exactly right. Mrs. Taylor stated that a great many of those that were offered for rent, were offered for the summer months only—a month or two—that you couldn't get a permanent lease.

Mr. MILLSAUGH. She said they were propaganda.

Mr. SPROUL. She said they a great many were for short terms.

Mr. REED. She referred to people going away for short vacations and offer their apartments for rent for a limited time.

Mr. MILLSAUGH. She said that also.

Mr. SPROUL. Well, Mrs. Taylor is here, she can answer for herself.

Mrs. TAYLOR. That was my statement; that many of these houses were offered for a short season, and I said that it might be part of a propaganda scheme that every time the rent act comes up before Congress long lines of want ads appear in the newspapers. Seven months ago, when the rent act was before Congress before, I took the trouble to sit down and telephone to one after another of these want ads and, Mr. Millsaugh, they were all rented. That was the answer I got from every one of them. Either I could not find it at all, or it had already been rented.

Mr. SPROUL. To how many did you telephone?

Mrs. TAYLOR. I should say between 20 and 25. That was seven months ago. I rode with Mr. Elder, who is head of the housing survey committee, yesterday to see Postmaster Chance, thinking we might be able to get him to cooperate with us in an endeavor to discover whether or not there is a shortage to-day, which I think exists, and we wanted to prove it. He said last week he picked up one of the papers and found 11 houses for rent. I asked him if he could remember what date that was and he said he could not, but that it was within the last 10 days. It is a very peculiar thing that the Sunday preceding these hearings there should be such a list as was displayed the other day. This is a very important thing to me, because the newspapers are accusing me also.

Mr. SPROUL. You did say that if most of these advertisements were correct, they were rents for the summer season?

Mrs. TAYLOR. I said, first, it looks to me like propaganda. I can't tell you my exact words. I either said, "It looks to me like propaganda" or "It may be propaganda," because I know that seven months ago I had discovered it was largely propaganda. There is a great campaign here amongst the real estate people; there is no doubt about that. It is justifiable, according to the way they look at it. I am not blaming them at all. They brought Mr. Brigham down from Boston to ride through the city, and be interviewed as soon as possible, to show that there shouldn't be any Government hotels here. He was interviewed and said that there were beautiful houses going up everywhere. He left the impression that the Rent Commission should not exist. Don't you think I was justified in thinking there was some sort of propaganda being carried on?

Mr. MILLSAUGH. I just made the statement and was asking Mr. Bowie what he thinks about it.

Mr. SPROUL. But you didn't go far enough. She said a great many of these ads were the ads of tenants who wanted to get out for the summer.

Mrs. TAYLOR. Mr. Bowie will admit that. Won't you admit that a large proportion of the ads in the paper to-day are ads put in for the summer months?

Mr. BOWIE. Yes, no doubt, Mrs. Taylor.

Mr. MILLSAUGH. How much of it is propaganda?

Mrs. TAYLOR. How can he answer that?

Mr. BOWIE. There is none that I know of. I don't know of any propaganda on the part of the real estate people.

Mr. LINKINS. Mr. Chairman, I have heard a lot about this real estate propaganda. I want to say right here and now that there is no such thing. I tried to organize propaganda, but they wouldn't "propagand." We had three meetings down there last fall, when Senator Ball broke faith with us and brought this bill up again. I had three meetings down there and had them meet with me. They wouldn't come down here and organize any propaganda or help us in our fight. Mr. Whiteford had a meeting at the real estate board last Saturday; he had one Sunday, and he couldn't get one to come down here. The real estate men are in favor of the law. I am opposed to it because we are not selling houses for homes; we are renting houses.

I am not opposing the bill so much; I am opposing the way it has been administered in certain sections. I am not so very much interested in that, but the real estate men generally are not opposed to the bill. I can tell you that and I will swear to it.

Mrs. TAYLOR. Mr. Fitzgerald, who is a messenger, came back from Mr. Linkins's office and told me that he said he was ready to put up \$10,000 right then to put this Rent Commission out of business.

Mr. LINKINS. Mr. Linkins didn't have \$10,000 to waste that way. Mr. Linkins is fighting the bill, but when you say there is organized propaganda on the part of the real estate people, I say it isn't so.

Mrs. TAYLOR. I didn't say it was organized.

Mr. LINKINS. I couldn't get them to organize and come down here. You haven't had but two or three of the 300 real estate men in this town down here.

Mr. LAMPERT. There may not be propaganda, but there are all kinds of inaccuracies. One of the afternoon papers said we are going to redraft the bill entirely.

There was a suggestion by Mr. Zihlman and myself that an expert should be called in to correct some mistakes that were in the bill, but there was no purpose on his part to redraft it. That would require the introduction of a new bill.

Mrs. TAYLOR. Please let me put this in the record. I am not accusing the papers of cooperating in any such campaign. Far be it from me to suggest such a thing.

Mr. LAMPERT. These little mistakes occur and it looks like propaganda, but it is not.

Mr. MILLSPAUGH. Have you anything further, Mr. Bowie?

Mr. BOWIE. Yes, sir. I was going to say that we have at present 14 apartments that can be rented furnished. Out of that 14 there are 8—

Mr. SPROUL. Would you mind stating the location?

Mr. BOWIE. Five of them are in a bachelor apartment house at 1735 H Street. Those are apartments containing two rooms and bath. They are rented furnished with service, which means that we supply the linen and clean the apartment every day. There is one apartment at 3802 Fourteenth Street NW., one in the Iris at 1420 Harvard Street.

Mr. SPROUL. What size apartment?

Mr. BOWIE. That is four rooms and bath.

Mr. MILLSPAUGH. What rent are you asking for that?

Mr. BOWIE. \$100.

Mr. MILLSPAUGH. Furnished?

Mr. BOWIE. That is furnished. There is an apartment of three rooms and bath at the Dunbarton Courts at \$75; another apartment at 3800 Fourteenth Street that is available just for the summer months. We have also one available at 1844 Columbia Road available for the summer months; there is an apartment in Beverly Courts that can be rented through the summer months and through the winter months; one at 2301 Connecticut Avenue for the summer months.

Mr. SPROUL. Would you mind giving the size of the apartments and the rent you are asking for them?

Mr. BOWIE. The one at 1844 Columbia Road contains six rooms and bath. We are asking \$150 for it.

Mr. REED. Unfurnished?

Mr. BOWIE. Furnished. The one at 401 Beverly Courts is seven rooms and two baths. That is furnished and my impression is that the price is about \$175. At 2301 Connecticut Avenue they wish to rent just through the summer, and the owner will take the same price he pays for the apartment unfurnished, \$150 a month; there is an apartment at 3309 Connecticut Avenue, which is a large apartment, containing eight rooms and three or four baths. The tenant pays \$3,000 a year for it, and he will take anything he can get for it during the summer.

Now, we have a house at 1335 Harvard Street, a house with eight rooms and three baths, that can be rented permanently for \$150 a month.

Mr. HAMMER. Furnished?

Mr. BOWIE. Furnished. We have another house at 705 Wilson Street that has seven rooms at \$130 a month. These accommodations are all available at our office at the present time, and we will be glad to get anyone to take them.

Mr. SPROUL. Have you anything as low as \$40 or \$50 or \$60 a month?

Mr. BOWIE. Yes, sir. We have one unfurnished apartment at 3800 Fourteenth Street at \$65 a month; three rooms and a bath and a porch.

Mr. SPROUL. How large?

Mr. BOWIE. Three rooms, a bath and porch.

Mr. SPROUL. Is that to be leased for the year or summer?

Mr. BOWIE. That is a permanent proposition. I hope, however, that as soon as

Mrs. Taylor looks at that apartment over our office, she will take it. [Laughter.]

Mr. HAMMER. Mr. Brigham who came here—do you think there was any propaganda in his coming here?

Mr. BOWIE. No, sir; I do not.

Mr. HAMMER. Why did they ever select such a man as that?

Mr. BOWIE. I think Mr. Rudolph wanted him. The real estate board had nothing to do with it.

Mr. HAMMER. I know, but there were some recommendations made to Mr. Rudolph undoubtedly.

Mr. BOWIE. I left off in my statement at the point where I was saying that many of the owners, the good substantial owners, who took a pride in their properties, were selling out. I think there will be a great deal more of that from now on, in view of the favorable changes in the income tax law, and that we will have a continuation of their selling out and getting out.

Now, I think another very great evil of the law is the fact that every case that comes before the Rent Commission usually results in very great antagonism between the landlord and the tenant and that is not a desirable condition of affairs, either for the landlord or for the tenant, and I think the longer the commission stays in existence and the more cases it tries the more that antagonism is engendered and it is very apt to be vented upon somebody in the end, whenever that time comes.

Mr. MILLSPAUGH. Were you with the commission when they inspected the Meridian Mansions?

Mr. BOWIE. I was.

Mr. MILLSPAUGH. Did they inspect Senator Culberson's apartment?

Mr. BOWIE. We tried to get in there, but the maid wouldn't let us enter.

Mr. MILLSPAUGH. What was the condition of Senator Walsh's apartment? How much would it have taken to put that in good condition? You are a real estate man.

Mr. BOWIE. Senator Walsh's apartment was new in the fall of 1917 when he took it. We went through it about four years later with the commission. It needed, perhaps, repapering and repainting. It could have all been done for less than \$200.

Mr. MILLSPAUGH. The commission testified, Mr. Bowie, that there were cracks between the picture molding and the ceiling, a hole in the wall, and a hole in the floor at that time, and that was the reason they made his rent \$50 less than the apartments in the same tier, directly under it. Did you notice the cracks—what they amounted to?

Mr. BOWIE. Yes, sir. Senator Walsh's apartment was in a very untidy condition, largely due to poor housekeeping. The floors had not been properly taken care of and had received no attention, apparently, on the part of the occupant. The sleeping porch was largely filled with surplus furniture, and was apparently being used as a storeroom. The bedroom we couldn't get into; the baby was asleep and they wouldn't admit us to observe it. There is a small cornice that runs around within the apartment and there were some small cracks in that. My recollection is that there was also a piece of plaster broken on the side wall about half the size of your hand. I saw no hole in the floor.

Mr. MILLSPAUGH. From your experience in real estate you think that that difference of \$50 per month was unfair and unreasonable, do you not? How do you account for it?

Mr. BOWIE. The apartment could be made as good as any apartment in the house for less than \$200, and a deduction of \$50 per month in rent is certainly excessive because of that condition.

Mr. MILLSPAUGH. Did you have charge of the repairs in the Meridian Mansions at that time?

Mr. BOWIE. Not directly, but we received complaints and requests for repairs at our office.

Mr. MILLSPAUGH. Was any ever made by Senator Walsh?

Mr. BOWIE. None at all.

Mr. MILLSPAUGH. If Mr. Bowie has nothing further, Mr. Chairman, I am through.

Mr. BOWIE. I would like to make one further statement, please. I have heard it intimated that there is a "black list" or a "red list," or some other kind of a list in

existence among those in the real estate business, blacklisting the tenants that apply to and go to the Rent Commission. I want to state most emphatically that no such list exists to my knowledge. I am a member of the real estate board, and I intermingle with the others in this same business to a very great extent, and I want to deny most emphatically that any such list is in existence, and I would like to state further that if anyone will supply me with evidence of the existence of such a list I will be glad to take the names of the parties guilty, or the brokers guilty of it, and if they happen to be members of our board I will be glad to take the matter up with our grievance committee for any appropriate action that they wish to take, as I am sure that the board feels that the existence of such a list would be contrary to the best interests of the business as a whole.

Mr. MILLSPAUGH. Mr. Chairman, I understand that there will be a vote in the House, probably within 5 minutes from now. That being so, I think it would be inadvisable to put another witness on, and for that reason I move we adjourn until 9.30 Saturday morning.

Mr. LAMPERT. The reason we fixed Saturday morning was because of the fact that Congress intended to accept the invitation of the Secretary of the Navy to go to Quantico to-morrow. I have been informed that that has been called off. That being the case we ought to meet to-morrow.

Mr. MILLSPAUGH. We told the witnesses not to come to-morrow.

Mr. LAMPERT. Oh, they would come.

Mr. REED. Would you rather have Saturday for a vacation?

Mr. MILLSPAUGH. No; because the witnesses were all notified to come then.

Mr. SPROUL. I would like to ask Mr. Millspaugh how many more witnesses he expects to put on.

Mr. LAMPERT. Why should we quit now?

Mr. MILLSPAUGH. We are called to the House.

Mr. LAMPERT. We could come back.

Mr. MILLSPAUGH. Do you know that it is 13 minutes to 5 now?

Mr. LAMPERT. It is? Well, that is a little late.

Mr. REED. We have a witness here, representing the tenants, who says that he would like to have from three to five minutes. Can we hear him?

Mr. LAMPERT. I suggest that we do hear him, because we can stay here three or five minutes after the ringing of the bell and still get there in ample time.

#### STATEMENT OF MR. JOSEPH E. O'TOOLE.

Mr. REED. You are not now an official of the Government?

Mr. O'TOOLE. No. I live at Pelham Court, 2115 P Street NW.—

(Mr. O'Toole sworn.)

Mr. REED. The committee will be in order.

Mr. O'TOOLE (continuing). Washington, D. C. I just want to make a brief statement. The chairman has asked me about my occupation. I was formerly assistant on the floor of the Senate. I served on the floor of the Senate for nine years, resigned last August and am now out for myself, and I am still residing at Pelham Courts.

The day the Ball rent law was held constitutional by the United States Supreme Court I filed with the Rent Commission a complaint asking the Rent Commission to determine my rent. I had paid \$60 a month at Pelham Courts for an apartment consisting of a living room, dining room, bedroom and bath, and the apartment was completed January, 1917. In 1918 the rent was raised to \$75; 1919, to \$100.

Mr. REED. Mr. O'Toole, I think you are in error about that. It was completed about Christmas, 1917.

Mr. O'TOOLE. Pardon me. I meant Christmas, 1917. I know you live in the same apartment house. It was not completed, this apartment, in 1917. I meant January of 1918. In 1920 the rent was raised to \$100. I asked the Rent Commission to determine my rental, and they reduced my rent from \$100 to \$82.50. The landlord asked for a redetermination of that rental and a redetermination was had and the same rental was fixed after another hearing. That was in September, 1921. The rental was fixed at \$82.50.

I was served with a notice on October 22 last that I was to vacate the apartment, as one of the landlords wanted it for his own use and occupancy. There is no doubt in the minds of anyone living in that apartment that the whole reason, the sole reason, for the landlord wanting that apartment was that I had gone to the Rent Commission and asked that my rent be determined.

I filed a complaint with the Rent Commission and asked the Rent Commission to determine whether that notice which was served upon me was in good faith and

whether the landlord intended it for his own use and occupancy, according to the law. I had good reason to believe that it was not, because in that time seven other apartments, it was brought out in the testimony, had been vacated and the landlord didn't want any of them.

He said—he went on the stand before the Rent Commission and said he didn't know the apartment was for sale. I put a witness on the stand who had the apartment for sale, a real estate man of the District of Columbia, and he said he had negotiations on. He had been advised by another real estate agent that the landlord had the property for sale and he had come to them to ask for a loan.

The Rent Commission determined that the notice served upon me was not in good faith. That was in March, 1922. The sole reason that the landlord gave for wanting that apartment from me was that he had a relative sick about 6 miles from the District of Columbia, and he said in his claim, under affidavit, that he wanted the apartment for his own use and occupancy because this relative was about to die. The relative is still alive, and although the Rent Commission determined that the notice served upon me was in bad faith, the landlord notified me he is going to appeal the case, but, at the same time, I would like to state that there is an apartment corresponding to mine that has been rented on the first day of this month, and the landlord is still living in Maryland, about 75 or 80 miles from here.

Mr. MILLSPAUGH. What kick have you got coming?

Mr. O'TOOLE. There has been a lot said here about the landlord getting an improper deal. I read in the evening newspapers that if the Ball rent law is not extended the landlords will not raise rents. That is not the thing, but those who have gone to the Rent Commission and asked for a determination of their rental of a fair and equitable basis—and I was increased from \$60 to \$82.50 in an apartment which, as Congressman Reed says, was built during the war—finished during the war—I will be put out of my apartment.

Mr. MILLSPAUGH. How long did it take the Rent Commission to hear your case. You filed it in October, and they heard it in March?

Mr. O'TOOLE. I beg your pardon?

Mr. MILLSPAUGH. How long did it take the Rent Commission to hear your case?

Mr. O'TOOLE. That was when he sent the notice to put me out of the apartment?

Mr. MILLSPAUGH. It took them six months to hear it?

Mr. O'TOOLE. No; the notice was served upon me in October, and I didn't serve my complaint until November, because I had that right under the law; under the District statute I had that right.

Mr. MILLSPAUGH. I don't just get you there. They notified you—

Mr. O'TOOLE. On October 22 that beginning December 1—that is, to vacate the apartment on December 1. They accepted my rent for the month of November, so that I was still a tenant until the 1st of December, and then on the 30th of November I filed a complaint with the Rent Commission to determine whether that notice was served upon me in good faith.

Mr. MILLSPAUGH. And that was not heard until March?

Mr. O'TOOLE. That was not heard until February. It took three months.

Mr. SPROUL. In the meantime, were you paying rent?

Mr. O'TOOLE. No, sir.

Mr. SPROUL. You haven't paid any rent there for six or seven months?

Mr. O'TOOLE. No, sir. I offered it to them each month, and still offer it to them.

Mr. MILLSPAUGH. They can't take it under the law, can they? When they have appealed a case, they can't take the rent, can they?

Mr. O'TOOLE. I didn't know they were going to take the appeal.

Mr. HAMMER. I have a letter from a tenant of the Monmouth Hotel, Eula O. McEachern, that I would like to put in the record, if you will permit me.

Mr. REED. Any objection.

(The letter referred to above is as follows:)

WASHINGTON, D. C., May 2, 1922.

HON. WILLIAM C. HAMMER,  
Washington, D. C.

DEAR SIR: The following information will give you a slight idea of conditions under which I have spent nearly three years in the Monmouth Apartments:

I have a two-room, kitchenette, and bath apartment facing the west, a small bedroom and a larger inside room with only one window and that one on the extreme end of the room, leaving the other half of the room so dark that lights have to be used at all times. We have no blinds to shield us from the hot summer sun, and we have never been given awnings. We were promised awnings the summer of 1919 just as



soon as the firm who had the contract could make them. We are now beginning the fourth summer without the awnings on those western-exposed rooms.

From lack of elevator service have had to walk up to the eighth floor as often sometimes as three times a day, which left me in a very exhausted condition and unable to go out again until after resting. The bells on the elevators until recently for months did not register, causing us to have to stand waiting indefinitely. Passengers have been brought up to the seventh floor after my ringing and waiting on the eighth floor for service, and because my bell did not register the elevator has been run down leaving me waiting. Finally, after losing much time waiting I have had to walk down, many times causing me to be late at office and other engagements, which was very embarrassing and against my record. During the summer months while ice is being delivered, when there is only one elevator running (and that is usually the case), the tenants have to stand on the floors and wait for service. Hearing an elevator running we always hope it is on the way up, but after a long wait we have to walk down, and on inquiring why we can't get service, are told that the ice has to be delivered regardless of the tenants. The ice is usually being delivered up to 9 o'clock in the morning during the very time when most of the tenants are in the great rush of trying to get to office on time. Recently when neither elevator was running and after walking up eight floors several times during the day, one car began to run or rather bump its way up, causing me to become faint from fright, thinking we would be sent crashing to the bottom every bump. This is not an unusual occurrence, but this time the car stopped half way between the fifth and sixth floors, and in that very dangerous position the elevator boy managed to open the door. He jumped down to the hallway, as did also a tenant from apartment 812, each of them holding a hand while I jumped down several feet to the hallway. The jar I received from the jump caused an internal misplacement that has caused great suffering since. After dragging myself up the other three floors I had to go to bed from the shock. At another time my son and several ladies were on a car which dropped from the fifth or sixth floor to the bottom, not doing any damage, as it happened, but very dangerous and shocking to every one on it.

Had positively no heat in radiator in living room nor bath for two winters. We were promised each time we complained that a man would be sent to investigate. The plumbers told me that the radiators were hopeless and the only relief would be new ones; that new ones had been provided some apartments. The management agreed that I would have to have a new radiator in 1919, but did not furnish it until the fall of 1921. Because of the lack of heat I have had to give up the pleasure of having my friends in my apartment; have been obliged to take them out or entertain them in the lobby. Even after the new radiator was installed this winter in living room we did not get heat from about 9.30 a. m. until after the furnaces were cleaned, near midnight, unless a special man was sent to open the pipes and make a certain adjustment. During the bitterest days of this winter since the new radiator was installed we had no heat for three to four days running. January 1, 2, and 3 had no heat at all in whole apartment. Christmas Day and two days after, when everyone wished to enjoy being in the home, we had no heat. In December I contracted influenza from continued exposure from no heat, and had to be sent home from office. During the several days of this illness I was without heat. By bedroom has a tiny radiator that could not heat this northwest room even if it were hot through every section. Not over two or three sections were ever hot in cold weather, the rest possibly milk warm. I have called the manager to my rooms on more than one occasion to see for herself how we were suffering. Once, after conversing about 10 minutes, she begged me to excuse her as she was "chilled to her knees." She could only stay in my rooms about 10 minutes, but I had to live in them. Just about January, 1922, I was reporting to the manager no heat for several days and begging for something to be done. She told me that she was nearly crazy over the distressing condition of of all in the building, and that she had just lost two very nice little couples who moved because they could not stand the cold. A gas stove is furnished (kitchen) with the apartment. In July, 1919, I began requesting that the rods in the baker of the gas stove be repaired so that I could get sufficient heat for baking. This was not done. As the winter came on and no heat was provided, as I have said, I was forced to use the damp, smelly heat from the gas baker. Only about every third or fourth hole in the gas rod lighted. In the others the pressure was not sufficient to light, but was sufficient to escape. The escaping gas caused my son and myself to have raw throats, and a rawness in our ears and nostrils. By February, 1920, the escaping gas was so strong that both of us began to suffer from a peculiar nauseated condition. Neither of us could take food nor stand our clothes about the waste line on account of a peculiar internal soreness that must have been the same condition as that of our nasal passages

and throats. My son was away from school two days on account of this illness and I from office. I reported our condition caused by the escaping gas, and not until then was any attention paid to it.

From July, 1919, to December, 1921, we had no hot water at all in the morning. About the only time we were able to get hot water was around 7 o'clock p. m., then again near midnight. In the morning when we wanted our baths before going to our duties for the day we could not get them. When the cold water happened to come on at all before 9 a. m. it was only a thread stream, that stopped every few minutes. We have had to stand in the rush of the morning, hold a tumbler to catch the few little drops we were only too glad to get before it went off again. The management knows that we have not only had to go without our morning bath but that we have actually had to go out for the day without our face, hands, or teeth washed.

One of the most disgusting conditions caused from no water was our whole family having to use the toilet in the morning and leave it standing until our return after 4.30. In warm weather I have gone into my apartment and have been obliged to leave on account of that unpleasant condition. On days when I was at home ill and on Sundays we have been obliged to live and endure that condition for several hours running.

I have been obliged to bathe in cold water (when we could get it) during a period in each month that very few women can stand the shock of a cold bath without serious illness and loss of vitality following. I have suffered great weakness following cold baths which I have at times been obliged to take.

May I add, Mr. Hammer, that I am not the only tenant who is suffering just as I have. Some are too timid to go into the unpleasant discussion. I have stood this for nearly three years, and have just come to the decision that I would make this statement.

Yours very truly,

EULA O. McEACHERN.

Mr. SPROUL. Has this lady, or this tenant, submitted her complaint to the Rent Commission?

Mr. HAMMER. Oh, yes; this is the one where they excoriated the Rent Commission for having given a fair trial to the tenants. This is the Monmouth.

Now, this lady has been here for three days up until to-day, and she finally made this statement and asked that it be put in the record. This is the same apartment house that Mr. and Mrs. Erwin have told you about. This little lady is employed in one of the departments here. Her husband is from Red Springs, in Robinson County, N. C. I know these people.

Mrs. Erwin, I think, has a brief statement of about two minutes which she wants to make, if you will permit her.

Mr. REED. Have you furnished the name of the lady who wrote the letter you just read?

Mr. HAMMER. Yes; Mrs. McEachern.

#### STATEMENT OF MRS. J. T. ERWIN.

Mrs. ERWIN. It appears to me that about everything has been said that could be said about this Monmouth Building, but there is one thing that I feel probably some of the committee do not understand. For instance, Mr. Millsbaugh. I am sorry he is not here to hear what I have to say, but I do not feel that I should be sued for back rents. That is what is being done.

When the Rent Commission reduced our apartment, we immediately received notice from the owner of that building saying that he intended to ignore the ruling of the commission and that he would expect us to continue at the rate of \$60. The law had not been declared constitutional at that time, and so we continued paying the old rate of \$60 a month. After the law was declared constitutional, that left the owner of that building, according to the ruling of the commission, owing us a little more than \$300, so we wrote a letter to the owner—we had always been paying the rent directly to him, or, rather, the Fidelity Storage Co., which is the same thing—and asked him to deduct from the amount that he owed us, according to the ruling of the commission, \$37.50, and to send us a check for the surplus money. He ignored that letter, so when the next month came around we sent a similar letter, although in that letter we did not ask him to return to us this surplus money. We decided in the meantime that it would be a very good thing to allow him to retain the money and use it up in the rents. We were perfectly willing to trust him. So we did not send a check, and he ignored that letter.

A few days after that the manager called Mr. Erwin as he passed him in the lobby and said that those letters had been passed over to him. He said, "You and Mrs.

Erwin are desirable tenants and we want to keep you here, and we think you have done the best thing you could under the circumstances," and we thought everything was perfectly all right.

Then the owner of the apartments vacates as many of the apartments as it is possible for him to vacate and appeals the case to the circuit court of appeals, and then on the 2d of January—we didn't know anything about the appeal. I personally didn't—the manager came up and threatens to sue us for what he terms back rents. I explained the law to him as I understood it and told him I thought he had a mistaken idea; that I was simply abiding by the law; that I had always been a law-abiding citizen and would always try to be.

Then he saw he couldn't scare me, because I really feel I am abiding by the law, and I said, "You will have to sue me, because I don't intend to pay that rent until a higher court tells me I have to." I thought if it was in Mr. Karrick's power to appeal the case after the decision of the Rent Commission, then it was in my power to appeal to a still higher court or put it back in the Rent Commission's hands.

After they saw they couldn't scare me, they served a notice on us to vacate within 30 days. The 30 days expired on the 7th of April and I am still there, although my case is pending before the Rent Commission.

I don't believe that anybody should be pictured as really owing rent when they have acted under those circumstances. However, after we had absorbed all the surplus money we had coming, our payments began on the 4th of March, I think it was—or, really, the 1st of March—and we sent a check for \$37.50, which I think is still the lawful amount, and they returned the check saying they could not accept it. On probably the 1st of February we sent a second check and they returned that saying that for reasons undoubtedly obvious to us they couldn't accept that check. The only reason that I could figure that could be obvious to us is that probably the landlord, after considering, thinks it is worth \$37.50 to keep us in that apartment, because the apartment is in a filthy condition and we haven't had the service we should have.

I don't think that anybody should feel that we haven't paid the rents, and I really hope that this is clear to all the members of this honorable committee. The thing is really sometimes misrepresented. I don't think that any of the gentlemen on this committee would feel that they were really owing rents under those circumstances. However, I am willing to admit I do owe two months now, because they have refused to accept those checks, but I am not responsible for their refusal to accept those checks. Am I to be held responsible for that and be evicted for nonpayment of rents? I don't think it is quite fair, but I will leave that to you gentlemen.

MR. O'BRIEN. Is that the house in which the elevator service was not installed?

MRS. ERWIN. Yes.

MR. HAMMER. The same house as this letter from Mrs. McEachern refers to?

MRS. ERWIN. Yes; she is one of the occupants of the same building.

MR. O'BRIEN. I have missed most of your testimony, although I know something about it from reading the appeal to the court. Is that the same apartment house where they refused to install a furnace or put in heating apparatus?

MRS. ERWIN. They have a furnace, of course, but, as I understand it—I am not familiar with the makes of furnaces—but, as I understand it, it is a very inferior make and it has not been sufficient. For instance, my radiators will get cold at 10 o'clock in the morning and stay cold until 2 or 3 o'clock in the afternoon, and after I finish my household duties, which I try to finish by 10 o'clock, the most of them, I can not sit down to read or draw or anything I wish to do like that, because the apartment is so uncomfortable I feel I am risking my health by staying in those cold rooms, and so I would have to go out. And from the 4th of October until the 24th of December we did not have a drop of hot water in our apartment until after midnight. That was for one continuous stretch of time, and these things occur very frequently.

MR. O'BRIEN. Was there any sickness there during the absence of heat?

MRS. ERWIN. Yes; I was sick myself and so was Mr. Erwin. For instance, I would go out to avoid this cold during the day, and after the heavy snows I was unable to go out—probably all you gentlemen remember them—and I was forced to stay in the apartment, and we were forced to put on our heavy coats. I contracted a very severe cold and was confined to my room for 16 days.

MR. O'BRIEN. Have you filed a counterclaim against the owners of the apartment?

MRS. ERWIN. Not at the present time, but I am expecting to. Because of the lack of elevator service—I think that has been brought out before—my husband's health has been ruined. He has had this very severe cough brought on because, as the doctor said, he had to walk those eight flights of steps, so I am perfectly frank in saying I expect to bring a suit later, but I want to do all I can to get this law extended for the benefit of other people who have suffered as I have.

Mr. O'BRIEN. How many tenants are there in that house?

Mrs. ERWIN. Well, there are a hundred and five apartments.

Mr. O'BRIEN. A hundred and five?

Mrs. ERWIN. Yes. I don't know the number of tenants, of course, but there are hundred and five apartments.

Mr. O'BRIEN. All occupied?

Mrs. ERWIN. Yes.

Mr. SPROUL. Mr. Chairman, I move that we adjourn until 10 o'clock Saturday.

Mr. REED. The motion previously made was that we adjourn until 9.30 o'clock Saturday. The motion is carried.

(Whereupon, at 5.10 o'clock p. m., the committee adjourned until 9.30 o'clock a. m., Saturday, May 6, 1922.)

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COMMITTEE ON THE DISTRICT OF COLUMBIA,  
HOUSE OF REPRESENTATIVES,  
*Saturday, May 6, 1922.*

The committee met at 9 o'clock a. m., Hon. Stuart F. Reed presiding.

Mr. REED. The committee will come to order. Mrs. Thompson, representing the Housekeepers' Alliance of Washington, desires to be heard for a few moments.

**TESTIMONY OF MRS. FLORA McDONALD THOMPSON, 2506 CLIFF-BOURNE PLACE, WASHINGTON, D. C.**

(The witness was duly sworn by Mr. Reed.)

Mrs. THOMPSON. Mr. Chairman, I have put into writing what I have to say in order to economize your time. I would like to say, also, that I hope it will be understood that I have come here to tell you things, and not to argue with you; and, also, not to tell you things in the order of ideas that seem to have no place in your consideration.

I am here delegated by the Housekeepers' Alliance of Washington, to oppose the extension of the Ball rent act. The Housekeepers' Alliance is an organization of 15 years' standing, and is affiliated with the American Federation of Women's Clubs.

Mr. REED. Is this a large organization that you speak for?

Mrs. THOMPSON. I can answer that question in the words of a sound editorial in the Washington Post. Of course, being an editorial in the Washington Post, it is sound. Like the Pan American Women's Group, it is a relatively small organization, but, nevertheless, represents a movement of broad scope. It is an organization composed mainly of college women. I am not a college woman, but there are also women who think who are not college women. It stands as an organization through which the domestic interests of the community can generally function in all matters, and it has been in existence about 15 years.

Mr. REED. Is it composed generally of women who are the owners of property?

Mrs. THOMPSON. Not at all. It is affiliated with the American Federation of Women's Clubs, and its officers and membership interlock with practically all those women's organizations.

Mr. HAMMER. It has nothing to do with the Woodrow Wilson Union that was referred to by Mrs. Boggs, and that it took the gentleman 10 minutes to find out about the other day?

Mrs. THOMPSON. I do not know about that.

I come on behalf of the home makers of Washington—in particular of those who are tenants—to oppose the extension of the Ball Rent Act because that act reduces to an economic absurdity the home-maker's best investment—home ownership.

The person with moderate means, and tenants in Washington are largely of that class, dare not attempt home ownership except under conditions making it possible in case of need to realize an income on the investment in a home the same as upon any other investment. That the Ball Rent Act prevents. In effect the Rent Commission is the public custodian of rental property.

Home ownership normally is an economic operation which while advancing the financial interest of the family serves moral and spiritual ends, for in this, husband and wife and even children cooperate to exercise thrift, self-restraint, mutuality, all of which strengthens the solidarity and stability of the family at the same time that the financial situation of the family is improved. For the wife, home ownership is a certain means of rendering productive the labor, management, capital, that she puts into her occupation in the home; for the widow it is—or was in the past—a means of enabling her to live in a reduced manner on the income derived from renting her home and thus escape being a charge upon her children or upon the community.

In the past in Washington home ownership was aided by building and loan associations. That is no longer the same under the Ball Rent Act. Building and loan associations refuse to make loans for building. Loans may be had only for the purchase of ready-made houses.

A particular instance of that was brought to my attention when I had a lady who operates the typewriter aiding me yesterday. She has a very small salary and her husband is a small-salaried man, in the Government service, I believe. Through the practice of strict economy, they have acquired a little piece of land, and they proposed to build on it. They applied to building and loan associations—not only one but several—but they could not obtain a loan, and this lady told me that they were driven to get a ready-made home, or one of those things made at a factory and shipped to Washington. She tells me that there are many houses being sold for large sums that were shipped in here ready-made.

Home makers who are tenants suffer especially from the economic reaction against home ownership operating under the Ball Rent Act. They suffer worse than other home makers in fact. The administration of the Ball Rent Act, as has been amply shown in testimony before this committee, creates bitter antagonism between tenant and owner with the result that strife, bickering, uncertainty, disorder, ruins the home atmosphere of tenants. Moreover the Ball Rent Act, setting up the privileges of tenants to the exclusion of the rights of property owners as the object of the law, tends to make permanent the tenant class. It produces a psychology that the tenant can do no wrong, the owners of rental property being outlawed as "rent hogs" or "profiteers." That tends to destroy the morale of the tenant. At the same time that it inclines him to be destructive of property interests, it robs him of initiative in the matter of home ownership for himself; home ownership being rendered economically bad by the Ball Rent Act and the ownership of property defamed, the tenant loses a native American incentive normally existing to induce tenants by improving their chance to acquire a home of their own to pass out of the tenant class.

The destruction of property occasioned by the Ball Rent Act, seems to have had little attention from your committee.

A lease provides for two considerations—rent and husbandry. The latter has seemed to escape the attention of the Rent Commission altogether. The psychology created by the Ball Rent Act that the tenant can do no wrong has resulted in wholesale wanton destruction of rental property as is widely known.

One of the most acute instances of that, that has come to my hearing—I do not know the facts of my own personal knowledge—was that of a tenant whoon leaving a house took away the front gate and back door.

In what definite remarkable manner this has been encouraged by the Rent Commission it was the pleasure of those officials to expose to your committee explaining the reduction of rent fixed by them in a notable case at 2400 Sixteenth Street. A reduction of \$50 per month in the rent, they explained, was due to cracks in the ceiling, a hole in the wall, and bad condition of the floors. The Rent Commission thus has created an interesting and new problem in real estate under their administration—what degree of deterioration of property might a tenant hope to see accomplished before being found by the Rent Commission entitled to live in his apartment rent free?

The consideration of husbandry is of vital interest to the home maker. The condition of a home to rent, especially in the case of a furnished house, is an element of value directly involving the home maker's labor and management. In my opinion no law should be framed as to rent that does not also intelligently consider the matter of husbandry. Both the matter of rent and of husbandry might be rendered vastly more productive of economy in American affairs if the administration of real estate, whether by law or by custom in business procedure, were to exact accurate inventories and to establish accurate detailed analysis of the various elements of cost and of value inhering in property. This would permit disassociation of one element from another in a manner which in France, for instance, or in England to a less degree, contribute materially to the success of household economy and permits also distributing the burden of property in a manner well calculated to connect personal responsibility with price for the greater increase of the former and corresponding reduction in the latter. A fruitful cause of high rents in American cities is the slap-dash wholesale manner of conducting the renting business. Back in the minds of the men framing the Ball Rent Act was no doubt an honest purpose to assure shelter to persons who might under conditions growing out of the war otherwise lack shelter. Yet the grievances of tenants aired in the hearings they have had actually relate to a thousand and one other things not necessarily associated with shelter for which, did the tenant know the cost and pay for it, he would develop often resources within himself to adjust.

If you will refer to the section of the bill which denotes the various elements that a person is entitled to in paying rent, you can easily see, by figuring them up, the confusion as to cost that necessarily results.

To improve renting conditions in Washington, the first thing necessary to do is to let the Ball Rent Act die a natural death. After that, new methods of fixing rent based on accurate analysis of the elements of rental property, would be vastly in the interests of economy.

A feature of the proposed extension of the Ball Rent Act as it has passed the Senate reasonably fills the home maker with alarm. That is the elimination of hotels from the provision of the act. The amendment bearing on that point offered by Senator Caraway seems to be vague and of uncertain effect. To remove hotels from the operation of the rent act would doubtless soon leave only individually owned rental property at the mercy of that act. Apartments, as has already happened in some cases, would quickly find a means of escaping the restrictions of the law by transforming themselves into apartment hotels, and the consequence of that would be to do away with home kitchens and home cooking—a matter of vital concern to the home maker, one of whose main obligations is to assure the care of children and the health of the family.

A close study of the movement in real estate under the Ball Rent Act seems to warrant the conclusion that the act, if not by design, has operated in effect to promote and to protect speculation in real estate on a large scale at the expense of the home and family interests of persons of moderate or small means. Home ownership as an investment has been rendered unsafe owing to the uncertainty and loss attaching to income derived from rent in the case of the bona fide owner of property. Building and loan associations refuse to loan money to build individual homes. Coincident with these conditions, huge apartments and rows of houses have rapidly been built. The tide of home seekers is driven either into buying a ready-made house built for speculation or to renting an apartment, though to the greatest extent possible even apartments have been for sale rather than to let, and traffic in apartment houses has appeared in the testimony of tenants to be the dominant cause of the ills of which they complain. Over and over again tenants testify to repeated change of ownership accompanied by repeated demand for increase of rent; also they have testified that seeking to communicate with the owner to overcome their grievance in this connection the identity of the owner is elusive; he can not be found. In a word, the truth appears that it is the operator and not the bona fide owner of rental property against whom the corrective influence of a rent law should be directed.

Incident to the exclusive buying and selling market that has resulted from the Ball Rent Act, a new kind of middleman has multiplied—the finance corporation, loaning money to persons without the necessary means driven by the Ball Rent Act to buy a house built not for a home, but for speculative purposes. The cost of loans in that connection may amount to 50 per cent of the investment; and of the real value of the investment, who can tell? Such is the relation to home and family interests of the recent building activity over which this committee has rejoiced, statistics of which have been read into the report of your committee as evidence of benefits of the Ball Rent Act.

I have here a newspaper statement regarding such building activities which, I think, well analyzes the situation and shows what its real nature is.

Stated in general terms, the outcome, if not the purpose, of the Ball Rent Act has been to sacrifice the economic necessities of ideal American home making to promote get-rich-quick speculative enterprise in real estate. Under the Ball Rent Act the home maker's spiritual aim falters in the confusion of conflicting circumstances. It is a situation of which women the country over must take note, for it is an example of how imperative it is that women shall make the economic necessities of home making potent in government, potent in their choice of men or women they elect to represent them in government, else the institution of the American family must give way to what Senator Walsh of Massachusetts signals as operating in the proposed tariff measure—"pernicious pressure of economic force."

The Ball Rent Act, if extended, would render fluid the capital which heretofore Washington home owners have frozen into the property that is the foundation of the Christian family. When I say "Christian," I use the word in no sectarian sense, but have in mind the prophetic messianic spirit which makes the Jewish family vie with the Irish Catholic and the New England Puritan in the endurance and sweetness of home life. The Ball Rent Act, as it were, by design incorporates a capitalistic plan to nationalize Washington for speculative purposes. If thereby housing is to be substituted for home making, the family nationalized and commercialized, the home maker's office in the family eliminated with that bona fide home ownership

which once attached to private property in real estate a moral character, then on the part of the home makers I propose that a soviet plan be made comprehensive. I propose that if the Ball Act be extended, Title I of the act be restored and a food commission to control the sale of food be reestablished; also a fuel commission for the control of fuel and a general merchandise commission for the control of merchandise.

While the Rent Commission by a system known only to their own inner consciousness and locked therein regulates rent in a manner thus determined to be "fair and reasonable," I bring to the attention of this committee that income from rent must now pay for coal at more than double pre-war prices, that the price of meat is twice as high, that vegetables are twice as high and poor in quality, and dry goods also inferior in quality are excessively high. A far better way I think to adjust conditions would be to let the Ball Rent Act die a natural death and divest all legislation of "pernicious pressure of economic force," now operating in the Ball Rent Act to make the home maker's task exceedingly difficult and unprofitable.

Mr. HAMMER. Mr. Chairman, former Governor Montague of Virginia, who is now a member of Congress, and has been for several years, was referred to here the other day, and he is present this morning and desires to make a statement.

Mr. REED. I am sure the committee will be glad to hear Governor Montague.

#### STATEMENT OF HON. ANDREW J. MONTAGUE, A REPRESENTATIVE OF CONGRESS FROM THE STATE OF VIRGINIA.

Mr. MONTAGUE. Mr. Chairman, there was a statement made before the committee on Thursday by Mr. Whiteford in connection with the rent of my apartment at the Avondale, and there are two matters in connection therewith that I desire to comment upon. One was that the secretary of the Rent Commission acted as my counsel or attorney in the matter. I can only state my relation with him, and I will say that in no sense did he act as my counsel, nor did I ever contemplate engaging him or speaking to him as my counsel. I was represented by Mr. Christopher B. Garnett, of this city, a lawyer of high standing. I have no idea that Mr. Roper represented himself to Allan E. Walker & Co. as my counsel. To have done so would have been such a gratuitous piece of misrepresentation that I imagine he would hardly have done so.

It was quite unnecessary in this matter for this apartment-house owner to add slander to extortion. It was stated, or substantially stated, that great favors were shown to me by the commission in the matter of my rent. I simply took the legal method of settling the rent. I did not ask for any reduction of the rent nor for any increase of the rent, but I moved as the law provided. There was no defense whatever made. In fact, at that time the operators of these apartment houses seemed to believe that the law was unconstitutional, and then flouted it. The landlord made no appearance whatever in my case. I gave such testimony as was pertinent in connection with the matter.

The gentleman who testified on Thursday stated that I was paying \$75 per month rent for my apartment, whereas other like apartments were being rented for \$150 per month, and, perhaps, more. I do not believe he said more, but I believe some of them are paying more. I hope the committee will bear those two figures in mind, as they involve the unwritten disclosure of the rankest sort of profiteering in rents. I rented that apartment unfurnished at \$75 per month, and I have occupied it for about seven years. I furnished the apartment.

During the first two years the improvements were kept up, but since that time none have been put upon it, except those that I put on it myself. The rents have been raised since the armistice 100 per cent or over in that building. According to the statement of the counsel here, and according to my information which I gain from hearsay, the apartments over me rent for \$150 per month. I am on an alley, and my outlook is not very consoling, but when a man undertakes to give up the comforts of life and come to Congress, he must make out the best he can when he finds himself among extortioners. Now, that is said to be a very fine apartment house, or at least the counsel said that. I am not a judge of those things, being a man of simple tastes, but if you will look at the other so-called fine apartment houses you will come to the conclusion that this is not a very similar house. I know that it is a cheaply constructed house. I have sufficient mechanical knowledge to know that. Whether it is fireproof or not I do not know. It is rather uncertain what a fireproof house really is. This is only approximately fireproof at best. The plumbing in the house is cheap and very bad, and when the closets are flushed on the fifth story you hear it on the ground floor.

I repeat that so far as I know there was not the slightest favoritism shown me in this matter. I personally appeared in court, just as I would in any other court, and was questioned as I would have been in any other court. I was represented by counsel, as I have stated, and not by the secretary of the commission. The secretary of the commission was courteous to me, and that was the first time I had met him. I knew his father slightly, and entertain a high opinion of him.

Mr. REED. Do you mean the prices fixed by the owners of the apartment house or by the Rent Commission?

Mr. MONTAGUE. I do not know, Mr. Reed, whether any other occupant of that house ever contested the rent except myself. I was driven to it. I was ordered to vacate the property, or was given a notice to vacate the property. I tried on two successive days to find a place in Washington to live, but I could not find one. The members of my family and myself, in order to expedite it, obtained a machine and rode from place to place trying to find apartments, but we could not find any place to go. The owner of this place was selling everything and renting nothing. He would not fix the rent for me. Finally, when he could not sell all of the apartments, I asked him what rent would they take for this particular one, and he said, "What rent will you give?" That was the reply—"What will you give?" There was no standard for rents, but just what the traffic would bear was the guiding principle as to what he would put upon the renters.

I know nothing about your housing problem, your business houses or hotels; I am not here to speak about them; I am speaking only of the matters that have fallen under my immediate observation, and upon that I desire to answer any questions the committee may wish to ask.

Mr. MILLSPAUGH. Governor, I want to make clear that this evidence was brought out without any solicitation on my part, but in order to clear up the matter for your own benefit I will state that the representative of Allen E. Walker & Co. testified after Mr. Whiteford did.

Mr. MONTAGUE. I did not see his testimony.

Mr. MILLSPAUGH. That Mr. Roper did bring your check to him.

Mr. MONTAGUE. That is true.

Mr. MILLSPAUGH. And represented himself as acting in the capacity of your attorney. That is in the evidence.

Mr. MONTAGUE. That is partially true, but not that Mr. Roper acted as my attorney. I was in the city of Richmond; my apartment was closed, and after taking formal action I wished to tender the rent along with the notice that I understood the law required. I sent a certified check to Mr. Roper, who acted as ministerial agent in serving the notice, and at the same time I asked him to deliver the check, which he did, as a courtesy to me. I do not understand that as evidence of attorneyship.

Mr. MILLSPAUGH. That is in the record and I wanted you to explain that.

Mr. MONTAGUE. That part of it is correct. Mr. Roper will know more of the details, and I have not my correspondence with me, but it would show that my counsel was Mr. Garnett.

Mr. HAMMER. Who was the witness that testified he was his attorney?

Mr. WHITEFORD. Colonel Brownley from Allen E. Walker's office.

Mr. HAMMER. Did I understand you to say your rent is 100 per cent above what it was before the armistice?

Mr. MONTAGUE. No; I said the rents in that apartment with the exception of mine. I am the only one, as far as I know, who has contested his rent in that apartment house.

Mr. HAMMER. And when was that?

Mr. MONTAGUE. I may be mistaken, but I know of no others. That was year before last; I think it was 1920.

Mr. HAMMER. There was no complaint and the Rent Commission did not adjust the rents of the other occupants?

Mr. MONTAGUE. Not that I know of; it may have been done, but I do not know anything about that.

Mr. HAMMER. What did they want you to pay?

Mr. MONTAGUE. They did not state.

Mr. HAMMER. But they wanted to know what you would give?

Mr. MONTAGUE. What I would give; yes.

Mr. MILLSPAUGH. To your knowledge, then, after you made the complaint, the Rent Commission did not act, as they did in the Meridian Mansions case, and fix the rent for all of the apartments? They just simply fixed your rent and passed the others?

Mr. MONTAGUE. As far as I know; yes.

Mr. HAMMER. They both complained in the case of the Meridian Mansions—both the owners and the occupants?



Mr. MONTAGUE. I was not interested and only know what I have read in the newspapers about the Meridian Mansions.

Mr. HAMMER. In this case do you know of its being called to their attention?

Mr. MONTAGUE. I do not; I know nothing about the Meridian Mansions case except what I have seen in the papers. I do not know whether Mr. Roper is here—yes, he is here.

Mr. HAMMER. Is he the son of D. C. Roper?

Mr. ROPER. Yes.

Mr. MONTAGUE. I would like the committee to hear him as to whether he acted as my counsel.

Mr. REED. When you were first solicited to take this apartment, what did you pay?

Mr. MONTAGUE. \$75.

Mr. REED. You say they were looking for tenants at that time?

Mr. MONTAGUE. I suppose that one-third or one-fourth of the building was unoccupied and had been up to the time of the war.

Mr. REED. And there has been no increase since that time?

Mr. MONTAGUE. Not in mine, and nothing has been done on my apartment except what I have done.

Mr. REED. For eight years?

Mr. MONTAGUE. For seven years.

Mr. MILLSPAUGH. Are you paying the same rent you paid eight years ago?

Mr. MONTAGUE. Seven years ago.

Mr. MILLSPAUGH. Then the Rent Commission fixed your rent at \$75?

Mr. MONTAGUE. Yes.

Mr. MILLSPAUGH. I would just like to ask you this question—

Mr. MONTAGUE (interposing). Ask any question you desire.

Mr. MILLSPAUGH. Do you not think the Rent Commission has shown negligence in fixing your rent at \$75 and in not fixing the rent of the other apartments in your apartment house, if the others are paying twice as much as you are paying? I am not charging that to you, understand, but charging inefficiency to the Rent Commission.

Mr. MONTAGUE. I do not like to pass upon the Rent Commission, but I imagine the tenants are satisfied and I do not think the Rent Commission could undertake anything except what was brought to its attention.

Mr. MILLSPAUGH. Being a Member of Congress, that probably is an improper question to ask you.

Mr. MONTAGUE. No; I do not think so. I am perfectly willing to pay what is a fair rent.

Mr. MILLSPAUGH. Certainly.

Mr. MONTAGUE. But I do not think my rent ought to be increased unless some improvements are made in my apartment. We have very poor service in that building; the telephone has been taken out for three or four years; the service, with the exception of one man or two men, has been as inefficient as anything possibly could be. The apartment, in my judgment, has been steadily deteriorating. There was a tenant or occupant above me who is the brother of the agent handling the apartment house; he permitted his refrigerator to leak, the water ran into my apartment and injured my books. There is no use of complaining about these things. I found that a man had better stand on his rights, so when the Rent Commission was created and the necessities arose I asked their intervention, I appeared before them.

Mr. MILLSPAUGH. You have not tried lately to find an apartment so as to judge of conditions now as compared with seven months ago when this act was reenacted or extended?

Mr. MONTAGUE. I have not tried for some little while. You see, Mr. Millsaugh, there is one serious factor in connection with the rent problem, as I view it, in the District. There is a tremendous increase in the price of property in Washington for the purpose of fleecing tenants. That is my deliberate judgment. This house was built before the war. It is an old house; the increase in its taxes is negligible. The increased cost of coal and overhead charges could be added to increase the rent, but clearly not 100 per cent or approaching 100 per cent. I thank you, gentlemen.

Mr. HAMMER. You say that before the war there were several vacant apartments in that house?

Mr. MONTAGUE. Yes; frequently, and I suspect there are some now.

Mr. HAMMER. If that is true, then, those vacant apartments were charged up as a part of the expense and, as a matter of course, they had to charge more than the apartments were worth in order to make up for the fact that there were several of the apartments unoccupied.

Mr. MONTAGUE. Well, I am not an expert man in real-estate values, but I am quite confident that since the war came on the profits of the landlords of that apartment house have been immensely increased.

Mr. HAMMER. In other words, an apartment house with every one of the apartments occupied and paying rent can afford to make a less rate than if one-third of them are not occupied.

Mr. MONTAGUE. I think so, obviously. If agreeable to the committee I would like to ask Mr. Roper, who is here, whether he acted as counsel for me. I wish that to be cleared up in justice to himself as well as to myself, because I would not have this committee think, even if I had the power and thought the commission and the Secretary were amenable to such influences, that I would exert personal influence upon the court in order to have my matters adjusted, and that is what I resent and that is why I am here this morning.

Mr. REED. Is Mr. Roper present?

Mr. ROPER. Yes, sir.

Mr. REED. How much time do you want—a minute?

Mr. ROPER. About a minute for that and then I would like to say something in addition, if I may.

Mr. REED. How much time do you want?

Mr. ROPER. Two minutes.

Mr. REED. Are you now a sworn official of the Government or of the commission?

Mr. ROPER. No, sir.

#### TESTIMONY OF MR. DANIEL C. ROPER, JR.

(The witness was duly sworn by Mr. Reed.)

Mr. REED. Have you a statement which you wish to make?

Mr. ROPER. Yes, relative to the tender of rent which was made in behalf of Governor Montague. I wish to state that to the best of my knowledge and belief, not being an attorney at law or a member of the bar, I deny having made any statement to Major Browning—as I believe he is called and who is connected with the office of Allan E. Walker & Co.—to the effect that I represented Governor Montague as his attorney. I could not have been so far forgetful of the fact that I was not a member of the bar nor an attorney at law as to have made any such statement. The fact was that as a matter of courtesy and accommodation—which I would have done for anybody else and which, therefore, I could hardly refuse to a man simply because he was a Member of Congress—I did as a matter of accommodation, in my own time, take to Major Browning a certified check for the rent. The Governor was leaving town and would not be here and those tenders have to be made by some person in person, and it was simply a kindly act of accommodation that I might have done for anybody else. That is all I have to say about that.

I have noticed in the newspapers that there has been considerable criticism of the commission because it has not upon its own initiative taken up more cases and settled more apartment house rentals, and I think it ought to be made clear that during a great portion of the time, namely, from June, 1920, until the Supreme Court held the act constitutional, it was impossible to get full, complete, and adequate information upon which the Rent Commission could fix and determine rentals on its own initiative. Subpoenas were useless; they would not be obeyed, and direct requests that this information be sent in were paid no attention to. It seems to me from the two years, to a day, that I was secretary of the Rent Commission that I can say the commission was never neglectful of its duty in fixing, as far as it saw its duty to do, rentals both on complaint and on its own initiative, and that there was any favoritism in any way, shape, or form, or to allege that there was any, is an unfounded charge that could never be proved.

Mr. MILLSPAUGH. How long have you been out of office?

Mr. ROPER. Since January 21, this year.

Mr. MILLSPAUGH. You were in office at the time the Meridian Mansions case was taken up?

Mr. ROPER. Yes; I was.

Mr. MILLSPAUGH. Was not the Meridian Mansions case taken up out of its regular order on the docket?

Mr. ROPER. I can not say that it was.

Mr. MILLSPAUGH. You can not say it was not, can you?

Mr. ROPER. It is my impression it was not.

Mr. MILLSPAUGH. I am frank to say that if Mr. Roper had been content with just denying this Allan E. Walker proposition I would not have asked him any questions,

but as he seen fit to attempt to sustain the action of the commission I would like to question him.

Mr. ROPER. Very well.

Mr. MILLSPAUGH. You were the secretary of the Commission at the time the Meridian Mansions case was taken up?

Mr. ROPER. I was, sir.

Mr. MILLSPAUGH. Did any of the tenants appear, other than the Senators who have been named, at the hearings before the commission either personally or by attorney?

Mr. ROPER. I could not positively say about that, as I was not in the hearing room but attending to my business in the secretary's office.

Mr. MILLSPAUGH. After the law was declared constitutional by the Supreme Court do you recollect how many apartment houses had the rentals fixed for all of the apartments?

Mr. ROPER. Well, you understand, that time was simply from the date of the Supreme Court decision, which was in the fall, until the time I left, which was January, and the commission had very little time to take up any and I can not recall at this moment any apartment house, other than that, in which they completely fixed the rentals on their own initiative.

Mr. MILLSPAUGH. What is your opinion as to the number of cases the commission was behind on its docket when you severed your connection with the commission?

Mr. ROPER. Between 800 and 900 cases.

Mr. MILLSPAUGH. Had the rentals in the Meridian Mansions been fixed when you left?

Mr. ROPER. They had.

Mr. MILLSPAUGH. Did you accompany the commissioners to the Meridian Mansions?

Mr. ROPER. No, sir; I did not.

Mr. MILLSPAUGH. Your duties were strictly clerical?

Mr. ROPER. In that nature; conferences with people.

Mr. MILLSPAUGH. Did you attend the hearings of the commission?

Mr. ROPER. I was present in the room two or three minutes, but not continuously for any length of time.

Mr. MILLSPAUGH. So when you state that the commission did not show any favoritism you would not be in a much better position to judge that than other people, would you?

Mr. ROPER. Well, during the two years I had an opportunity and was speaking of the whole two-year period, as far as I saw it.

Mr. MILLSPAUGH. So as to the Meridian Mansions you could not qualify?

Mr. ROPER. I could not qualify; no, sir.

Mr. MILLSPAUGH. I believe Mr. Kolb wants to make a statement.

#### TESTIMONY OF MR. LEO KOLB.

(The witness was duly sworn by Mr. Reed.)

Mr. MILLSPAUGH. I would like to have you state, as briefly as you can, what your experience has been with the Rent Commission and also give your opinion as a real estate man as to the extension of the Ball rent act.

Mr. KOLB. As to my opinion of the Ball rent act, I think it would be better and that the people could get along without that by dealing among themselves, the tenants and the owner, and that the tenants and the agents could get along and adjust matters more quickly and satisfactorily to all parties. I think the Ball rent act has outlived its usefulness.

Mr. HAMMER. You do not think it ever had any usefulness?

Mr. KOLB. I was not opposed to it, as I told Senator Ball.

Mr. MILLSPAUGH. Will you, then, give your experiences with the Rent Commission. You have had some, I suppose.

Mr. KOLB. Yes, I have.

Mr. MILLSPAUGH. What I mean is to show whether the Rent Commission was efficient or was not efficient and whether what they have been charged with is true or not, from your observation.

Mr. KOLB. Well, I could not say as to favoritism or anything of that sort, but I know of one case that we had with them, a very, very trifling case that was taken to the Rent Commission by a tenant in May, 1920, and did not hear about it until May, 1921; I should possibly correct that and say we heard about it in March, 1921, and that the case came up for a hearing in May, 1921. The house always rented for \$16.50 a month; it has seven rooms, a cellar, and attic in it, and it is right behind the Senate Office Building. It is, of course, not on a street, but it is on Schott's Alley. The

house is reasonably worth \$20 and the tenant was willing to pay that, but it was taken before the commission. As I say, it is a 7-room house and has a store in it, and the store is worth about \$25 to any merchant. The Rent Commission reduced the rent to \$10 a month.

Mr. MILLSAUGH. For the entire house, storeroom and all?

Mr. KOLB. Yes. The building is about 20 feet wide by about 23 feet deep. The Rent Commission told us that if we would make some repairs in the building they would fix the rent. We made the repairs in September, and on October 1 we applied to the Rent Commission to increase the rent to \$20. We wrote them three letters and finally, on the 17th of April, they said the Meridian Mansions case was in the way, that they had to get that out of the way. We could not understand that because our case had been there since May, 1920.

We got a hearing on April 17 at 10 o'clock in the morning. Now, 10 o'clock on Monday morning is a pretty busy time for a real estate agent. I got there about 8 minutes after 10, and I was told the tenant had been there and gone; that some attorney volunteered his services, took mercy on the poor tenant, and the commission allowed some one to represent the tenant but not the landlord. I happen to be the landlord now of this particular property, and now we could not get a hearing; we have been unable to get another hearing, but that is such a trifling thing. Now, that is my only experience with them, but I think they have been very slow and dilatory in that case.

Mr. REED. That is not the fault of the law, then, as I understand it?

Mr. KOLB. No; that is the fault of the commission.

Mr. REED. Of the administration of the law, you mean?

Mr. KOLB. Yes, sir. But I think it would be better if the landlord and tenant could get together and fix prices reasonably. Building associations have done all they possibly could, and I am a director in two building associations.

Mr. MILLSAUGH. Have you any property for rent either under your ownership or care at the present time?

Mr. KOLB. I have sent for a rent list.

Mr. MILLSAUGH. You have sent for it?

Mr. KOLB. Yes. Of course, a rent list changes every day, and I wanted the latest list. We will have it here in a short time. The list has just been handed to me and we have for rent to-day 16 dwelling properties—16 livable properties—and the rest consist of stores and garages.

Mr. REED. Are some of those so-called "vacation" propositions?

Mr. KOLB. I do not understand that question.

Mr. MILLSAUGH. People who go away for two or three months and ask you to rent their houses.

Mr. KOLB. No, sir.

Mr. MILLSAUGH. I will ask you this question: Has your firm any knowledge of any propaganda by real estate men against the Ball Rent Act?

Mr. KOLB. No, sir.

Mr. MILLSAUGH. Has your firm inserted any advertisements in the newspapers of Washington advertising places for rent that were not bona fide advertisements?

Mr. KOLB. Absolutely no.

Mr. MILLSAUGH. Has your firm any red list or black list?

Mr. KOLB. Absolutely no.

Mr. MILLSAUGH. Do you know of any other firms that have black lists or red lists, as was testified to by a member of the commission?

Mr. KOLB. The reason I hesitated in answering that blacklist question was that we have a list of no-good tenants.

Mr. MILLSAUGH. But not a blacklist of tenants who have carried on activities under the Ball rent act?

Mr. KOLB. No, sir.

Mr. MILLSAUGH. You know of no other real estate firm having a blacklist or red list, as was testified to by the chairman of the commission?

Mr. KOLB. I am positive no real estate agent would do that, sir.

Mr. MILLSAUGH. You are a member of the real estate board, are you not?

Mr. KOLB. Yes, sir. I was secretary at one time.

Mr. MILLSAUGH. Has there been any concerted action by the real estate board along that line?

Mr. KOLB. No propaganda. The only thing was to be represented before this committee; to come before this committee and show what is needed for the benefit of the tenant and the landlord. Of course, it would be a benefit to the tenant if the investor would build houses.

Mr. MILLSPAUGH. Has there been any understanding among the real estate people that when this bill should come up for hearings in October of last year, or, I mean, in August of last year or at this time, that the real estate men should insert advertisements in the papers as propaganda?

Mr. KOLB. That is unbelievable, sir.

Mr. REED. On that point, quite a while back I visited, in response to advertisements, two firms here, and the agents told me they then had no apartments, but that in order to keep Stoneleigh Court and some other apartment, the name of which I have forgotten, before the public, they inserted those advertisements occasionally, so that they might have a waiting list available to choose from. Are there things of that kind done occasionally?

Mr. KOLB. Not in our office, sir, unless we would know, or unless a tenant had given us notice that he was going to vacate, because in these days you are never sure a tenant is going to vacate, and it would be hazardous and dangerous to offer a property for rent, and may be enter into negotiations to rent it, and there be an overlapping of tenancy.

Mr. REED. I had that experience. They told me they had no vacancies at Stoneleigh Court, but, as a matter of fact, already had a long waiting list. I asked the agent why he ran such an advertisement in the paper, and he said, "Oh, to keep our property before the public."

Mr. KOLB. Well, I would not know about that, sir, and I judge if they did that they were advertising their hotel department.

Mr. MILLSPAUGH. I was going to suggest that, as a matter of fact, Stoneleigh Court is a hotel apartment and would not come under the Ball Rent Act at all.

Mr. KOLB. That is what I understand.

Mr. MILLSPAUGH. So that anything they would do in that respect would have no effect on this proposition.

Mr. KOLB. I think they were just advertising their hotel apartments.

Mr. REED. They mentioned apartments.

Mr. KOLB. I see.

Mr. MILLSPAUGH. I understand they come under hotel apartments absolutely.

Mr. HAMMER. With a court or commission having as many cases before it as this commission has, is it not natural that mistakes would be made by it, and do not all courts make mistakes from the viewpoint of the losing party?

Mr. KOLB. If big organizations did not make mistakes they would not get anywhere.

Mr. HAMMER. We should not abolish our courts because they make mistakes.

Mr. KOLB. By no means.

Mr. HAMMER. You have had cases in court, have you not?

Mr. KOLB. Yes, sir.

Mr. HAMMER. Have you always won them?

Mr. KOLB. I always took good attorneys with me there; yes, sir.

Mr. HAMMER. Then you have never had the experience that those litigants who have lost have had, so that to lose a case or to have a miscarriage of justice, of course, is shocking to a man who has always been so fortunate as to win his cases.

Mr. KOLB. We never went in unless we were sure of winning.

Mr. HAMMER. As I understand it, you were favorable to the Ball Rent Act?

Mr. KOLB. Yes, sir, and I so expressed myself to Senator Ball. The only thing they want to do is to function and to function more quickly and rapidly. The idea of waiting for people to transfer their property causes people to lose money and the interest works against the property owner. Many people think the tenant is the down trodden man. I have always catered to the tenants because we wanted their business; they were the life of our trade, but many and many a landlord is very, very poor, and if it were not for them getting those few dollars out of this little property or any property at all it would be pretty hard on them. The landlords have worked and accumulated money by nickels and dimes and saved it in order to accumulate a little property so that they would have something in their old age and to educate their children.

Mr. HAMMER. Some of them are poor and others are very rich.

Mr. KOLB. Well, the same with the tenants.

Mr. HAMMER. And some of them are very grasping, as well as other people.

Mr. KOLB. That is the natural condition of human nature.

Mr. HAMMER. And they like to drive the best bargain they can with their tenants regardless of whether it is fair or not—there are some of that type, are there not?

Mr. KOLB. Well, the tenant is in the same position.

Mr. HAMMER. I know that is true of landlords as well as of tenants, always attempting to drive the hardest kind of a bargain: some of them are so forgetful of their duty to the community that they would drive the hardest bargain possible, if permitted to do so by law.

Mr. KOLB. I do not think so. I think you will find that the landlords are very reasonable people, because they are looking out for the future. I think you will always find the landlords wanting to do the right and proper thing. You will find some subrenters who will drive a hard bargain.

Mr. HAMMER. An instance was brought to my attention last night in the course of a conversation with an attorney, in which the tenant was required to pay a rental of \$250 down per month. Then at the end of six months he was required to pay the rental for the second year, and at the end of 12 months he was required to pay the rental for the third year. Those three rentals required to be paid for that property in one year amounted to nearly \$1,500 more than the property was valued at. That is only one instance that I accidentally found out about last night in conversation with a gentleman who came to me about another matter. Now, that was an instance in which the landlord was grasping, was he not?

Mr. KOLB. I would not say that.

Mr. HAMMER. Then, what do you call it—robbery?

Mr. KOLB. No, sir; I say that he was assuring himself of getting his rent.

Mr. HAMMER. What did you say you would call it?

Mr. KOLB. He was making sure of getting his rent.

Mr. HAMMER. When he was charging in one year, or collecting in one year, more than the entire value of the building in rents?

Mr. KOLB. That does not make any difference.

Mr. HAMMER. Do you think that that was an entirely legitimate deal?

Mr. KOLB. I think collecting it in advance was.

Mr. HAMMER. But the price was so exorbitant, the amount of three years rental required to be paid under the contract being more than the value of the property. Of course he did not pay it in one payment. The first payment was made, and he went into court on the other payments. He went into the municipal court. The landlord ejected the tenant and put him out on the street, and the tenant went into the commission and got relief so far as they could give it.

Mr. KOLB. It may be possible that I did not understand your question. I understood you to say that he had to pay the rent in advance.

Mr. HAMMER. That is entirely proper, but I said that he paid, or was required to pay, not only the first year's rent in advance, but he was required to pay the rent for the second year at the end of six months, and the rent for the third year at the end of 12 months. I said that the entire rental for those three years amounted to more than the value of the property.

Mr. KOLB. Well, that might not be a wrong thing to do.

Mr. HAMMER. You say it might not be the wrong thing to do. Do you have any doubt about it?

Mr. KOLB. As I understand it, he paid this rent in advance, or \$3,000 the first year, or \$250 per month. How much was the rent per month?

Mr. HAMMER. \$250 per month. He was required to pay the first year's rent in advance, the second year's rent at the end of six months, and the third year's rent at the end of 12 months. That was required under a written agreement in which the tenant undertook to pay the entire rental for three years in that way.

Mr. KOLB. He would have that bond or guaranty that the rent would be paid?

Mr. HAMMER. It was to be paid. He had, first, a rent agreement, which was all right if the price was all right. Here was a landlord who found a tenant who had been hunting around over town for a place suitable for his purpose, and he actually made that agreement or contract which required a rental for three years amounting to more than the entire value of the property.

Mr. KOLB. In the three years he would have paid \$9,000. What was the house worth?

Mr. HAMMER. \$7,500.

Mr. KOLB. I think he paid too much rent.

Mr. HAMMER. Do you not call that grasping and driving a hard bargain??

Mr. KOLB. It depends on what he was using the house for.

Mr. HAMMER. For a studio.

Mr. KOLB. That did not help it any.

Mr. HAMMER. It did not hurt it, did it?

Mr. KOLB. I do not know, but a studio is sort of damaging to property.

Mr. HAMMER. Suppose it was damaging—do you think that rent was excessive?

Mr. KOLB. If it did damage it, it would depend upon the amount of damage done.

Mr. HAMMER. With all due respect to you, I must say that I am not surprised at your saying that landlords do not exceed their dues and are not grasping in Washington, if you have any doubt about that.

Mr. KOLB. You misunderstand me.

Mr. HAMMER. I hope I do.

Mr. KOLB. You say that this man rented this house, but it is beyond my idea that anybody would pay \$250 a month for a house worth \$7,500, because he could go right out to any building association or to any trust company with that \$3,000, pay it to the landlord, and borrow \$4,500 on the house. If the house was worth \$7,500, he could do that.

Mr. HAMMER. I am talking about this particular instance.

Mr. KOLB. That depends on what the tenant was doing there. The tenant did not have to take it, and I do not see why he took it and paid \$250 for it, if the house was worth only \$7,500.

Mr. HAMMER. There were skylights in it.

Mr. KOLB. It was a business property, and a particularly hazardous type of business property.

Mr. HAMMER. I do not think that a studio is hazardous property. Even if it was, do you think that rent was excessive?

Mr. KOLB. Yes, sir.

Mr. HAMMER. You spoke about a big propaganda being engaged in by the renters. I hand you an anonymous sheet, or, rather, it is not an anonymous sheet, because it is headed News Sheet Issued by Washington Real Estate Board. Look at that and tell me what you call it, or whether you think it is propaganda, or not?

Mr. KOLB. I would call this an information sheet. I consider this information to the members of the real estate board. This is information to the members of the real estate board, and I see nothing in it that I would consider propaganda. It is a letter from the secretary of the board to its members.

Mr. REED. Do you want that in the record?

Mr. HAMMER. I do not care to clutter up the record with it.

Mr. WHITEFORD. If anyone thinks it is propaganda, it should be put in the record.

Mr. HAMMER. The witness has stated that it was not propaganda, and I have not disputed his statement.

Mr. SPROUL. Mr. Chairman, Mr. Hammer has introduced that statement here, and I think that the members should find out what it is. I suggest that Mr. Hammer read it, and if it is worth anything let us have it in the record.

Mr. REED. It is a printed sheet.

Mr. MILLSPAUGH. Let us have it read, and not have it put into the record until we find out what it is.

Mr. HAMMER. When you hear the first paragraph, you can determine whether you want to put it in the record. It refers to Henry R. Brigham, of Boston, chairman of the housing committee of the National Association of Real Estate Boards, and a member of the citizen's committee on housing for the District of Columbia. This man came here and was forced to resign immediately after coming. He made an announcement before he made any investigations whatever, and then the citizens committee of Washington—

Mr. MILLSPAUGH (interposing). The real estate board did not appoint him, but he was appointed by the Commissioners of the District of Columbia.

Mr. HAMMER. They dropped him like a hot poker as soon as they found out what type of man he was.

(Mr. Hammer read as follows:)

“NEWS SHEET ISSUED BY THE WASHINGTON REAL ESTATE BOARD.

“Henry R. Brigham of Boston, chairman of the housing committee of the National Association of Real Estate Boards, and a member of the citizens' committee on housing for the District of Columbia, states:

“Unless the matter is forcefully brought to the attention of the citizens of the United States, Congress may within a short time pass legislation affecting owners of property in the District of Columbia which probably few, if any, Congressmen would dare to suggest in their own States to their own constituents. It is proposed to extend the Ball rent act, so called, for two more years and to include in its scope all rented business property.

“It is provided that the Rent Commission, ‘upon its own initiative, may, or upon complaint shall, determine whether the rent charges, service and other terms or conditions of a lease or other contract for the use or occupancy of any such rental property or apartment are fair and reasonable’”

Mr. HAMMER. Do you want me to go on with this?

Mr. MILLSPAUGH. Yes.

Mr. WHITEFORD. I am not surprised that the gentleman does not want to read it.

Mr. HAMMER. Mr. Chairman, this gentleman is here by the courtesy of the committee, and he should bear that fact in mind. Mr. Whiteford, you are the gentleman who made the statement here yesterday that reflected upon Mr. Roper, and now you come here and endeavor to impeach my good faith.

Mr. WHITEFORD. I am not.

Mr. HAMMER. You say that you are not surprised at my not going on with this reading. You ought to be able to treat members of this committee with that courtesy and decency that gentlemen who are engaged in an investigation of this character are entitled to receive.

Mr. WHITEFORD. I want to deny the statement that you made just a moment ago that I made a statement that reflected upon Mr. Roper. With the permission of the committee, I will tell you, and the record will bear me out, that I did not make a statement reflecting upon Mr. Roper, but I repeated what had been stated by Mr. Browning. It was Mr. Browning, at Allan E. Walker & Co.'s office who told me. I quoted it that way.

Mr. HAMMER. You are not trying a case in court now. You try these cases in court, and then come here, in an entirely different jurisdiction, and attempt the same tactics. You sit behind one member of the committee and tell him what to ask the various witnesses.

Mr. WHITEFORD. I sit over here by Mr. Millsbaugh, because he is willing to ask those questions, and I do not expect that willingness from some other members of the committee.

Mr. HAMMER (reading):

#### IT NULLIFIES LEASES.

"This in effect nullifies all leases and contracts regarding the use of property and destroys even the right to make a binding contract regarding the use of either residential or business property. It puts the determination of what is a fair rental in the power of a commission of five, no one of whom is an expert in real estate values, the act providing that none of the commissioners 'shall be directly or indirectly engaged or in any manner interested in or connected with the real estate or renting business in the District of Columbia.'

"Landlord and tenant may agree absolutely on terms of a lease, and for some personal reason the particular piece of property involved may be of extraordinary special value to the tenant, but the commission may of its own accord step in and say that the rent is too much, and if the tenant should continue to pay the rent he believes to be fair the commissioners can recover from the landlord double the excess which the tenant pays over what they determine to be a fair rental. Half that they so recover goes back to the tenant and half goes to the United States Treasury.

"Increases in rents might drive some of the weaker men out of their present business, but landlords of business property are dependent upon the success of their tenants. Rents of business property as a whole can not be raised to such an extent as to make business unprofitable for tenants, and Washington is not so isolated from the rest of the world as to make possible the sale of commodities at prices far above those for the same commodities in the rest of the country. The very fact that there is enough demand for business property to warrant raises in rent shows that there are merchants who believe that they could do business in Washington profitably at higher rents than present merchants are paying and by no means signifies that they would charge higher prices.

#### RESULT OF MERCHANT'S PLEA.

"The inclusion of business property in the proposed extension of the Ball Act was due to the petition of certain merchants in Washington, who said to Congress that if their rents were increased they would have to charge more for their commodities, and therefore the cost of living would increase in Washington. The merchants did not ask that the original sections covering control of food prices be renewed. Does anyone believe that the merchants will not charge all that they can get for their commodities regardless of their rents?

#### WAS WAR EMERGENCY.

"The legislation, so far as it affects residences, was originally based on the real emergency created by the war and necessary for public welfare. The United States Supreme Court has recently upheld the rent restrictive laws of New York on the ground that the public needed protection until 'houses can be built.' There are enough places of business in Washington to protect the welfare of its citizens and none



of the arguments that are used to uphold the law as it affects houses can be said to be applicable.

"This proposed legislation is purely selfish legislation proposed for the selfish interest and profit of merchants and tenants at the expense of the property owners. It violates, however, the spirit of the United States Constitution and that of the constitution of every State in the country and destroys the foundation rocks of the business and prosperity of this country, namely, the right of contract, the rights of property, and the 'Golden Rule.'

"It is proposed to inflict it upon helpless people who have no voice in their government and who are not even protected by the Constitution of the United States to the same extent as other citizens. It could not lawfully be inflicted upon any other city in this country. The only way it can be inflicted is by the indifference of the people in this country.

CALLED "DANGEROUS PRECEDENT."

"If the citizens outside of Washington realized what this legislation means not only to the citizens of Washington, but to this country as a most vital dangerous precedent for the Nation, they would so rouse their Congressmen that they would not dare to pass it any more than they would suggest it in their home cities.

"The passage of this act as amended will naturally kill all incentive to build more business properties to rent, as it has killed all incentive to build residential property for rent, and thereby it will increase the profits of the present merchants by decreasing the opportunity for more competition.

"Can we expect men and women of this country to invest money in real estate when rights of contract and of property are no longer respected by the Congress?

"The proposed act is Senate bill No. 2919 and is in order for action before the Senate.

"Every citizen, every home owner, and every holder of real estate of this country who believes in fair play and the right of contract should at once protest to his Senators and Representatives against the passage of this act."

Now, I submit, if that is not propaganda, I would like to know what it is.

Mr. MILLSPAUGH. I would like to have it in the record.

Mr. SPROUL. I move that it be made a part of the record.

Mr. HAMMER. I desire to make some comments upon it, in further response to my friend who said he was not surprised at my not wanting to read it.

Mr. WHITEFORD. May I ask you a question?

Mr. HAMMER. If you ask it respectfully.

Mr. WHITEFORD. I will treat the gentlemen with the same respect that he shows me.

Mr. HAMMER. I have not treated you in any but the fairest and most respectful manner, either in my questions to you while you were on the stand, or at any other time. I have imputed to you no dishonorable motives, and have not reflected upon you in any way. I have said that you sat behind one member of the committee who has been grilling these poor tenants, many of whom probably have never been in court, and you have sat there full of glee and laughter as though you had won a victory over them.

Mr. WHITEFORD. No, sir; but I am amused somewhat—

Mr. HAMMER (interposing). I see no cause for amusement.

Mr. WHITEFORD. I ask the privilege of asking you a question. It was stated awhile ago that this was legislation of a character that some of the members would not suggest for their own communities. That statement is in there.

Mr. HAMMER. Well?

Mr. WHITEFORD. Did you not tell Mr. Lincoln that you yourself would not suggest this legislation for your own district?

Mr. HAMMER. I certainly would not think of doing so.

Mr. WHITEFORD. You told him you would not?

Mr. HAMMER. I would not, because these conditions do not exist down there.

Mr. SPROUL. Will the gentleman yield?

Mr. HAMMER. Certainly.

Mr. SPROUL. I want to say that the same condition exists in every large city in the United States. In the city of Chicago, where apartments rented for from \$35 to \$40 per month in 1916, they are renting for \$110 and \$150 to-day. The condition that exists here in Washington exists in every large city of the United States.

Mr. MILLSPAUGH. Would you dare to suggest such legislation as this for Chicago?

Mr. SPROUL. No, sir; even the tenants would not stand for it in Chicago.

Mr. HAMMER. I would not think of such legislation in my State. I live in a State that contains 3,000 more square miles than either Pennsylvania or New York, although it is considered to be a little Southern State. We call ourselves progressive, and are

trying to go forward. We are spending \$50,000,000 on roads in our State, the program beginning this year, and we are spending \$20,000,000 for the improvement of our public institutions, or of the buildings for them. We have a great deal of land down there. I am considered a very large landowner down there, but lots of it is poor land not of any great value.

Mr. SPROUL. Will the gentleman yield for a question?

Mr. HAMMER. Yes.

Mr. SPROUL. Do you rent that land?

Mr. HAMMER. I try to.

Mr. SPROUL. You get what rent you can for it, do you not?

Mr. HAMMER. No; not all I can get. I make contracts and try to be fair. They did not make enough on it to pay for the seed last year.

Mr. SPROUL. You would not rent it for 50 cents per acre if you could get \$10 per acre for it, would you?

Mr. HAMMER. Not if \$10 was the fair price.

Mr. REED. Let us try to confine the discussion to the legislation that is before us.

Mr. HAMMER. Most of it is very poor land, and not valuable land. I am not a rich man, but a poor man.

Mr. WHITEFORD. You would not want a Rent Commission to fix your rents, would you?

Mr. HAMMER. Yes; if the conditions were such as exist here. The territory of the District of Columbia originally was 10 miles square, but the Government ceded back to Virginia that part of the territory on the Virginia side of the river. We have a little territory here, occupied by a city, with no farming land to speak of.

Mr. MILLSFAUGH. Do you not think somebody made a mistake when they ceded that territory back to Virginia?

Mr. HAMMER. I do not know about that. I think that was due to the fact that the river divided it. This city is in a peculiar condition. Here is a large population living in rented houses. It is true that no other city in the Union, except, possibly, New York, approaches anywhere near the percentage of people that live in rented houses here. Here 70 per cent of the population live in rented houses, and in New York I think 72 per cent live in rented houses. The renting situation here has become such that the courts have said that the buildings here have a public use. The courts have held that, notwithstanding the contention of Mr. Brigham, who writes that article that is sent out by the real estate board. If that statement is not propaganda, I must say that I do not know what propaganda is. It does not contain a single fact, but it is simply a homily or preachment about the great injustice Congress has done the landlords of the District of Columbia. I have no doubt that a great majority of the landlords here are high-minded and honorable men. I have no doubt they are men of high character and integrity, and are engaged in business upon lines of correct business principles. It is true I am a countryman, but so was Thomas Jefferson and so was George Washington—

Mr. MILLSFAUGH. You have nothing on me.

Mr. HAMMER. The gentleman boasted of the fact that he lived with five persons in a room.

Mr. MILLSFAUGH. Not only that, but wore patches.

Mr. HAMMER. I lived right in the path of Sherman's march, and after the war, when the soldiers came back, the fields were grown up with broom straw and blackberry briars. The principal industry for awhile was picking blackberries.

Mr. SPROUL. Do you not think that they have a right to have a real estate board here?

Mr. HAMMER. Yes, certainly; nobody is objecting to a real estate board.

Mr. SPROUL. I served upon a subcommittee with my friend while investigating the milk situation. I was opposed to having an organization among the farmers here that could raise the price of milk from 15 to 20 cents per quart. My friend, Mr. Hammer, at that time thought it was perfectly right that they should have an organization, but now he objects to the real estate board and what they are doing. I can not understand it.

Mr. HAMMER. The gentleman, I think, does not want to go on record as saying that the farmers were trying to raise the price of milk from 15 to 20 cents per quart, because when that investigation started they were paying 15 cents, and when we concluded they were paying 11 cents.

Mr. SPROUL. It was 16 cents when we started, and the consumers had notice that the price was going up 2 cents more the next month.

Mr. REED. The Chair thinks the committee should confine itself to the discussion of the legislation pending before it.

Mr. HAMMER. The gentleman might not want it said in his district—

Mr. SPROUL (interposing). I am willing to have anything I say go to the people of my district.

Mr. REED. Will the committee please proceed in order.

Mr. HAMMER. We had our differences in the milk hearings, but in the milk hearing we got together, and I hope we will get together in this. There was as much difference then as there is here. Of course, we do not see things alike, and I am not complaining of anybody who does not see things as I see them.

Mr. MILLSPAUGH. You do not think this is propaganda by the real estate men, do you?

Mr. HAMMER. I do not know what else it could be. The term "propaganda," in the sense in which it is commonly used, is new, because it originated in time of the war, and was associated with the acts of the Germans who were giving information. I do not think you can classify this as anything else but propaganda.

Mr. REED. Do you that as a part of the record?

Mr. HAMMER. I have no objection to it.

Mr. REED. Then, it will be considered a part of the record.

Mr. HAMMER. This is a city, and scarcely any of the houses have gardens or grounds of any size behind them. It has become very much congested. There are some landlords who have fixed the rents so high that it is impossible for us to get reasonable rents as a rule, but that condition does not exist in any country districts.

Mr. REED. I would suggest to the committee that members refrain from long statements at this time, and present their views later when the full committee meets in executive session.

Mr. KOLB. Now, the building investor could build houses for rent, and a lot of investors want to build houses to rent, so that an estate, for instance, can buy them and have a constant income. That would relieve things greatly, and rents would come down to a fair level. Whether they are at a fair level to-day I do not know. Nobody can say as to that, but if there were houses for rent, or if the people were permitted to build houses for rent, it would be all right. People are afraid to build houses for rent, because it costs so much money to build, and the tenant would not want to pay the rent and would go to the Rent Commission. I have no great objection to a Rent Commission if it could function quickly, and if they could get enough people to do it.

Mr. HAMMER. We are trying to remedy that in this bill.

Mr. REED. A rent law that would take into consideration the investment in the property only, that would determine the questions speedily, and that would safeguard one as to his rents pending the hearing would not be a bad law, would it?

Mr. KOLB. No, sir.

Mr. REED. We thank you for your statement.

#### TESTIMONY OF MR. HUGH B. ROWLAND, WASHINGTON, D. C.

Mr. ROWLAND. Mr. Chairman, as I understand it, I am called to the stand for the purpose of clearing up a little misunderstanding as to whether the case of the Meridian Mansions was advanced by the Rent Commission, or not. Now, in referring to that case, I want to say that I was one of the attorneys who fought the case before the Rent Commission on behalf of the owners. That case has been appealed by the owners to the court of appeals where it is now pending, and at the time it is heard by the court of appeals I will make such comment on the decision of the commission as I think the record before the court justifies. I would prefer not to appear in any way before this committee at this time, but some other gentleman, whose judgment is, perhaps, better than my own, has insisted that, as the attorney, I should make this statement. Now, the situation in regard to the Meridian Mansions case, so far as the trial was concerned, was this: When the tenants filed the petition against the owners on August 4, this was followed by three petitions filed by the owners against three of the tenants on September 16, and two further petitions against tenants were filed by the owners on October 14.

Mr. REED. 1921?

Mr. ROWLAND. Yes, sir; 1921. On October 27, 1921, another petition was filed against the owners by Mr. Culberson, and on that same date the commission passed an order consolidating those cases for trial, and set the case for November 10. After this litigation was started in August, 1921, it became my duty, of course, to keep in touch with the Rent Commission to ascertain when those cases would be reached for trial.

I saw the chief clerk of the Rent Commission from time to time and saw the chief clerk a few days before the last of October, 1921. I was informed at that time that by no possibility could those cases be reached for trial until about the 1st of January,

so that the notice served on the owners on October 29 setting the cases for November 10 came as somewhat of a surprise.

Mr. MILLSPAUGH. Did you voluntarily—

Mr. ROWLAND (interposing). One minute. At that time I called up the chairman of the commission over the telephone with regard to the details of the trial. He expressed a disinclination to grant any continuance, whereupon I told him, what is a fact, that so far as the owners were concerned, although it would be a matter of extreme difficulty to finish the preparation of the case for trial within the 10 days' notice, that we would do everything we could to present the case at that time because, of course, we desired as speedv a trial as possible. Now, those are the facts with regard to the trial of the Meridian Mansions case, and unless there are some questions to be asked that is all I have to say on the subject.

Mr. MILLSPAUGH. I have just one question to ask. Then when the chairman of the Rent Commission testified that it was a voluntary movement on the part of the counsel for the Meridian Mansions to fix the hearing on November 10 he was probably mistaken.

Mr. ROWLAND. If Mr. Sinclair said that, I am sure he was mistaken. I do not believe, as a matter of fact, he did say that.

Mr. MILLSPAUGH. I read it again last night.

Mr. HAMMER. I am sure you will not object, in order to get the matter straight, to allowing Mr. Sinclair to ask a question.

Mr. ROWLAND. Not at all.

Mr. SINCLAIR. I do not care to ask any questions, but I would like to make this statement—

Mr. ROWLAND (interposing). Then if you only want to make a statement, I would prefer that you wait until I get through.

Mr. SINCLAIR. Certainly.

Mr. ROWLAND. Now, gentlemen, while I am on the stand I want you, of course, to understand that I am the attorney for the landlords and that in addition to this particular case my office has exclusively represented the landlords and, therefore, what I have to say comes, to a certain extent, as an attorney for the landlords. I have been impressed with the loose character of the testimony before the committee and the prejudiced way in which the proponents of the bill and the opponents of the bill, for that matter, have presented the matter.

I have been living in Washington ever since I was a small boy, and it is a part of my duty, representing the class of clients we have, to keep thoroughly in touch with the local situation, so far as the investment features of the city are concerned. The result of my observation agrees absolutely with what Captain Peyser said, with what Mr. Whiteford said, and with what Mr. Hagner said as to the necessity of continuing this law, and to back up that statement I will cite a few examples which I think are illustrative of the fact that, as Mr. Bowie said, the people of Washington at the present time are, as a matter of fact, housed. I know of one estate which has a row of small houses, and up to a very short time ago those houses were rented. Taking advantage of the market created by the Ball Rent Act for the sale of houses, that estate has succeeded in disposing of what was otherwise a more or less unprofitable investment, and the attorney managing that estate told me the other day that if they would only continue this law for a little while longer he would succeed in disposing of the others.

Now, a personal illustration: I am the owner of a piece of property on the corner of Connecticut and California Avenues, right opposite the Highlands, and it is probably the most desirable site for the erection of a high-class apartment house in the city of Washington. Tentative plans have been drawn for the erection of an apartment house on that site, and considerable progress has been made toward the arrangement of the financing of the apartment house; but, gentlemen, neither myself nor the gentlemen who are associated with me are content to build that apartment house until we are in a position to determine for ourselves what rents our tenants shall pay, and that, I think, you will find is the attitude of the average citizen. More business in government and less government in business is a maxim that applies to this case. The people of the District of Columbia are not going to submit to the rent law to any greater extent than is absolutely necessary, which is the reason why, every time a dwelling is vacated, it is withdrawn from the rental market and put on the market for sale. Now, if you will let this law die, within six months or a year, as the people who are most competent to judge have said, your problem will have disappeared, so far as the housing situation is concerned.

Now, let me say a word about the law as it is before this committee. Notwithstanding Mr. Brown's opinion, for which I have a high regard, I think the withdrawal of the right of injunction, provided by the bill, is dangerous. It is dangerous on general

principles because it is class legislation. Mr. Brown said Congress might withdraw that injunction provision so far as the District of Columbia is concerned, and I will admit there is some question as to whether he is right or not, but there is, to my mind, considerable question as to whether that feature, withdrawing the right of injunction, is constitutional.

The appeals provision, withdrawing the cases from the Court of Appeals and putting them within the purview of the Supreme Court of the District of Columbia, is a provision which I do not think is necessary, and I think it has largely been brought about by a misconception of the relation of the Court of Appeals to this situation. This is supposed to be a poor man's court and a large majority of the cases are not appealed. The Supreme Court of the District of Columbia is not equipped to handle appeal cases, at least, is not as well equipped as is the Court of Appeals, and in my opinion it would upset the machinery of our jurisprudence considerably to take the appeal from one court and put it in the hands of the other.

Now, as to the inclusion of business property. As Mr. Hagner said, there is more activity in business property in the District of Columbia now than we have known for some time. Everybody is building business property. Look at Connecticut Avenue, and the growth is remarkable. It has been taken out of the purview of the Ball rent act and see what has happened to business property.

I doubt very much the wisdom of allowing the commission to sit as individuals. If you are going to have a commission of five it seems to me the commission should sit in groups, because I believe that inevitably the result of that will be that instead of getting a trial before the commission you will get a trial before one of the commission.

Another thing which I think would be of great benefit both to the commission, the tenants, and the property holders, would be to provide this: That in the findings of the commission the findings should be in this fashion: The fair market value of the property; what allowances the commission makes for operating expenses, taxes, insurance, repairs and depreciation; the net income to which the landlord is entitled and then a distribution of the rents in order to meet that net income. Then you would have a clear-cut statement of just what the commission found, and you would then be in a much better position to determine whether the commission erred or not in its decision, wherein it erred, and whether or not you were justified in taking an appeal to the court of appeals.

Mr. SINCLAIR. May I ask you one question? You remember my statement in reference to the service of the notices upon the tenants in the Meridian Mansions case?

Mr. ROWLAND. Yes, sir.

Mr. SINCLAIR. Were you present when it developed, in the course of the hearing, that the tenants in that part of the Meridian Mansions known as 1640 Kalorama Road had not received notices of the hearing?

Mr. ROWLAND. Yes, sir.

Mr. SINCLAIR. Upon that development was not the hearing of those tenants set with your entire consent and approval as attorney for Kennedy Bros.?

Mr. ROWLAND. Undoubtedly; but that has nothing to do with—

Mr. SINCLAIR (interposing). I think that is what Mr. Millsbaugh has in mind.

Mr. ROWLAND. To make the record read plain let me say this: We received a notice, which was sent out by registered mail on October 29, that the cases would be set for trial on the 10th of November.

Mr. SINCLAIR. That is as to the main building.

Mr. ROWLAND. And the hearing began on the 10th of November. Some time during the course of the hearing it developed that both the owners and the Rent Commission had completely forgotten that there was a small apartment house in the rear of the big apartment house which was also included in the problem; that the rents of that apartment house also ought to be considered. So a notice was sent out to those tenants in that small apartment house calling them into the case and notifying them to enter their appearance, if they desired to be heard, on the 22d day of November.

Mr. SINCLAIR. You admit that the failure to notify them was the failure of Kennedy Bros. (Inc.) to give us the names of those tenants when they gave us the names of the other tenants?

Mr. ROWLAND. I have no doubt of that, but I do not want the record to show even an intimation that it was because of any premeditated neglect on the part of Kennedy Bros. to furnish that information.

Mr. SINCLAIR. I do not want any suggestion of mine to that effect to go into the record, but the fact is that they failed to present those names.

Mr. REED. I want to ask the witness a question, because I believe in his intellectuality and his judgment. You have stated that you feel the people of Washington are now housed and that the crisis is very largely passed?

Mr. ROWLAND. Yes, sir.

Mr. REED. It has been brought to the attention of the committee that yards and yards of advertisements are appearing in the papers daily showing that there are empty houses and apartments. The statement is also made that if you take a ride out to the suburbs of Washington you will find more buildings going up than ever before, but they say the builders are building for sale and not for rent, and that they are therefore selling to tenants at exorbitant and unreasonable prices. Now then, do you not think that if Washington is housed the housed people will not be imposed upon any longer by the builders who are building so many houses? Having places to stay at present they will not be compelled to buy except at more reasonable rates. If then, as Captain Peyser says, Washington will be more and more a city of home owners, why will not that be far better than a city of tenants? I want to get that connected up.

Mr. ROWLAND. I think if the Ball Rent Act has had any beneficial effect at all it has been in forcing people to buy homes rather than to rent homes. Comparatively few of the residents of Washington, by reason of the peculiar character of the city, filled, as it is, with Government clerks who draw small salaries, are in a position to buy their homes, but as a concrete illustration of the way the Ball Rent Act worked in my own personal experience, I think, is very striking. I was away from Washington from the first part of 1917 until the spring of 1919. I gave up my residence, and when I got back here the first question called to my attention was the finding of a place in which my family and I could live. In the meantime this rent legislation had gone into effect, and I could not find a house for rent that I cared to occupy; there were a few houses for rent, but they were mostly in pretty bad shape. Now, what I found was this: That there were for sale quite a choice of houses, ranging from, say, \$12,500 to \$50,000 and \$60,000, and that they were for sale for what were practically pre-war prices and much less than the cost of reproduction. I purchased a house on S Street, between Nineteenth and Twentieth Streets, and I paid for that house in 1917 exactly what the owner paid had for it 10 years before that time, so that I purchased the house for the price the owner paid for it and was only chargeable, so to speak, with the advance that was equalled by the depreciation that had taken place in the house.

I not only found that that house was available but that a number of other houses were available at either what was the pre-war price or a price that was so little increased that the increase was a negligible quantity so far as compared with the increase in the other elements of the cost of living. I attribute that to the fact that the people who owned those houses did not want to rent them. As a further illustration of that fact, my office, three months or so before I bought this house, had been employed by the owner to get a tenant out of the house who was causing considerable trouble, and the minute the tenant got out of the house it was put on the market for sale, and when I got back here in the spring I bought it. Now, those are facts.

Now then, another fact. I happen to have charge of a small converted apartment house consisting of three stories and a basement. It is a perfectly respectable place to live; it is in a fairly good neighborhood but it is not a fashionable apartment house, either on the outside or on the inside. I have been unable to obtain a tenant for the third floor of that apartment house. It may be that the rent is a little high; I think we are trying to get \$50 a month for the third floor, but that includes heat, light, and fair janitor service.

Mr. SPROUL. How many rooms?

Mr. ROWLAND. Three rooms, bath, and kitchenette. Those are facts that I am telling you about now, and I am testifying to those facts under oath.

Mr. HAMMER. I find, as you state, that a great deal of the testimony given here has been given from a biased standpoint and from an extreme standpoint. Is it not a fact that in the city of Washington there is dissatisfaction among the tenants as to the prices they ought to pay and dissatisfaction among the landlords as to the prices they ought to charge, and that it is not getting any better? Therefore, is it not necessary to extend the Ball Rent Act on that account, in order that there may be a medium to arbitrate, to compromise and to bring together these antagonistic forces, as you might say?

Mr. ROWLAND. I am glad you asked that question, because it gives me an opportunity to say this: In this city, as in every other city, there are people who will profiteer, no matter what you do to them, but I, as a resident of the District of Columbia and as a property holder, have been very much offended at the characterization which the people of the District of Columbia who own property have been obliged to submit to, such as rent hogs, profiteers, grafting landlords, and grinding their tenants down to the last cent. Gentlemen, those are the exceptions and not the rule. There are plenty of tenants here and plenty of landlords between whom there exists the best kind of feeling.

I am a landlord and I am renting my property to a tenant for what is giving me a reasonable return on the amount of the investment. My partner bought, as an invest-

ment, six or eight months ago, a residence for which he paid \$20,000, and he is allowing a naval officer to rent that for so long as he may be on duty in Washington at \$100 a month, which, as a matter of fact, does not give him a fair return on what he paid for it. It is all nonsense for anybody to come here and characterize the representative men of the District of Columbia as rent hogs and profiteers. The difficulty with the witnesses who come before this committee is that they are so biased that they take a individual case, maybe a case of oppression, and then, deducting from that case, they argue that everybody in Washington who owns a piece of property is of that type and that unless you hold them down with a law that has some teeth in it they will take every cent the poor tenants have, but that is all nonsense.

Mr. HAMMER. I only asked you that question and did not make it as a charge at all —

Mr. ROWLAND. I understand that.

Mr. HAMMER. I realize there are as first-class people in Washington as anywhere else, but not only the United States but different political subdivisions of the United States have enacted very stringent laws with reference to the suppression of certain matters, for instance, the suppression of the liquor traffic. I do not care to inject that into this hearing, but we have very stringent laws to suppress the liquor traffic. Now everybody is not violating the liquor laws. I live in a State where there are a great many violations of them and yet there is a healthy sentiment among the people in that State in favor of the enforcement of those laws and they are probably enforced better in the State courts there than in most States. Then we have laws as to murder, as to rape and arson, and as to burglary; we make burglary a capital offense in our State. That does not mean that everybody is a burglar or that everybody is a murderer, but on account of the fact that there are so many people in the District of Columbia who think they are not getting fair treatment as regards rent; they think they are ground down and that they are oppressed by what they call rent hogs and no doubt there are landlords—no considerable number of them, probably, but at the same time a considerable percentage when you speak of it in relative terms—who do oppress and take every dollar they can get. With those conditions prevailing and in order that justice may be done to that class on each side that do not look at this thing right and have a wrong view of it, ought we not to have this Rent Commission?

Mr. ROWLAND. In answer to that I should say the best thing you can do is to abolish this rent law, and then these conditions will cease to exist.

Mr. MILLSAUGH. Is there any more contention between landlords and tenants now than there has been at any time since the rent law went into effect?

Mr. ROWLAND. I think there has been a great deal more, because I think the law has encouraged the tenants to complain where otherwise they would not do so, and where, as a matter of fact, a complaint from a fair-minded standpoint, is not justified. But there is another answer to your question.

Mr. MILLSAUGH. Just one more question. You are familiar with rental conditions in Washington, or fairly so. Is not a great deal of trouble at the present time caused by this disposition of wanting to keep up with the Joneses?

Mr. ROWLAND. That was what I tried to bring out when I said I could not possibly find a tenant for the third floor of this little converted apartment house, which is neither a rich man's apartment house on the outside of the building or on the inside of the building. I think that a great deal of the trouble you gentlemen have had brought before you is due not to the high cost of living but to the cost of high living. That is the argument I made before the Rent Commission in this 2400 Sixteenth Street case: that we had a magnificent apartment house up there; but that what those gentlemen wanted was not living quarters, but that they wanted to make a showing. As I said, it is the cost of high living and not the high cost of living from which we are suffering.

Mr. REED. Do you think it would be possible by law to make this southeast and northeast section as eminently respectable as the northwest section, so that tenants will not all want to flock to one section of the city?

(No response.)

Mr. MILLSAUGH. I want Mr. Sinclair recalled just a moment in order to make this a matter of record, there being no contention about it. Mr. Sinclair, what has it cost the Rent Commission a year to operate, or what has been the total expense?

Mr. SINCLAIR. I can not tell you. I can not give you any idea.

Mr. MILLSAUGH. My understanding is that it is about \$55,000. Now, with these new officers and the changes that are asked for in this bill, how much would that expense be increased?

Mr. SINCLAIR. We have not gone into that yet. You mean how much it would amount to at the outset, if the law were extended? The bill provides for two additional rent commissioners and for two inspectors.

Mr. MILLSPAUGH. Would not that also require some additional clerical help?

Mr. SINCLAIR. Probably it would necessitate some additional clerical help, especially if it is contemplated that there should be separate hearings conducted by different members of the commission.

Mr. SPROUL. You told me that you thought it would cost about \$20,000.

Mr. SINCLAIR. I suggested that amount. Of course, I can not say what it would be.

Mr. SPROUL. You can furnish the committee the information that Mr. Millspaugh has asked, showing how much it cost last year to run the commission, can you not?

Mr. SINCLAIR. Yes, sir; that can be ascertained.

Mr. MILLSPAUGH. As a matter of fact, would it not take at least \$25,000 more? There are two additional commissioners, and you will probably require additional clerical help. The additional clerical help, stationery, printing, etc., would amount to \$9,000, would it not?

Mr. SINCLAIR. It is hard to tell what it would amount to. There is this consideration: We have been paying for our rooms or headquarters in the Hooe Building, at 1330 F Street, but if the commission is in existence on the 1st of June, it will be out of that building. It must be out of that building by that time. I understand that the Public Buildings Commission is going to provide quarters for the Rent Commission without cost.

Mr. MILLSPAUGH. It will cost the Government something just the same, will it not?

Mr. SINCLAIR. No, sir; I think they will put us in one of those buildings up the Avenue.

Mr. MILLSPAUGH. But the building would be occupied by some other Government agencies if you were not in there.

Mr. SINCLAIR. The Government owns the property.

Mr. MILLSPAUGH. The Government is renting a good deal of property at the present time, and if they were to put you in that building they would have to pay rent somewhere else to offset it.

Mr. SINCLAIR. I do not know about that.

Mr. SPROUL. What rent are you paying for the quarters you occupy at the present time?

Mr. SINCLAIR. Seventy-seven cents per square foot.

Mr. LAMPERT. Will you request Mr. Sinclair to furnish a statement showing what he pays for rent and the cost of running the commission?

Mr. MILLSPAUGH. I think Mr. Sproul has asked for that.

Mr. LAMPERT. I also suggest that he submit a statement showing the amount of money that he expects the commission to cost under this bill.

Mr. SPROUL. I would like to ask Mr. Sinclair another question: Mr. Millspaugh has suggested that it costs approximately \$55,000 a year to run this Rent Commissions. Is it not nearer \$65,000 when you include your rent, stationery, and other things you have to provide for?

Mr. SINCLAIR. I have not given that any consideration.

Mr. SPROUL. Have you no idea what it costs?

Mr. SINCLAIR. I have not bothered my head with that at all.

Mr. SPROUL. You do not care how much you spend? I never had a business in my life that I did not know what it was costing.

Mr. SINCLAIR. They appropriated originally \$50,000 for a period of two years, and we have had to ask for deficiency appropriations twice. I think.

Mr. SPROUL. Of what amounts?

Mr. SINCLAIR. I do not remember the amounts.

Mr. SPROUL. Probably Mrs. Taylor knows what it costs?

Mr. SINCLAIR. I doubt it.

Mr. REED. It is now 12 o'clock, and I would like to know if we can arrive at some determination in regard to our further proceedings.

Mr. SPROUL. I am ready to vote on the bill now.

Mr. MILLSPAUGH. I would like to have Mr. Saul heard.

#### TESTIMONY OF MR. B. F. SAUL, WASHINGTON, D. C.

(The witness was duly sworn by Mr. Reed.)

Mr. REED. Mr. Saul, do you have a statement that you want to make, or are you here to be questioned?

Mr. SAUL. No, sir; I did not come to be questioned; I simply came up with some other brokers who are interested. I did not expect to make any statement at all.

Mr. REED. We will be glad to hear you.

Mr. MILLSPAUGH. Do you want to make a statement, or would you prefer to be questioned?



Mr. SAUL. I do not care. I have no particular statement to make. I am on the stand and have an opinion on the matter, and will express it.

Mr. MILLSPAUGH. Suppose you do that.

Mr. SAUL. I will simply say that I have been impressed since I have been here by the interest that the gentleman from North Carolina, Mr. Hammer, has taken in the matter. I believe his intentions to be fair, but there are some things that occur to me that I might call attention to that would show him better the position of the landlords of Washington. You say that you are a landlord in North Carolina, and that you would not object to a rent commission—

Mr. MILLSPAUGH (interposing). Before you proceed to that, have you stated what your business interests are?

Mr. SAUL. I am here as a real estate broker. I want to say that during the war there seemed to be a necessity for a Rent Commission, and I was in favor of one. A number of other real estate brokers were in favor of it, and I was in favor of it when the commission was appointed. There was a great demand here at that time, and apartments that were worth \$50 per month could be rented for \$150 or \$200 per month. You could get almost anything you asked. That condition, however, has changed because of the people moving away from Washington and because of new buildings going up, and I feel that to-day there is no necessity for a rent commission. I was asked some time ago, in speaking to one of the Senators about it, whether I did not feel that rents would be increased if the Rent Commission went out of existence. I do. I think there are rents that would be increased, and there are rents that are very much too low. The rents that are too high to-day would not be increased, because you could not get very high rents. You can not get very high rents now, or not such rents as you could get a year or two ago.

Now, as to the question raised by Mr. Hammer: If you had a commission in North Carolina which was appointed and which could adjust your rents in two or three months when there was a change in value, a change in the cost of upkeep, a change in the cost of fertilizer, or anything else that entered into it, you would be willing to have a commission and would probably prefer to have a commission to pass on what was fair, rather than adjust it yourself and be criticized for it. That is my position, and it is the position of most of the real estate people in Washington. They would like to have a commission for three or four years, if they could fix the rents promptly, so that they would not be subject to criticism, but how would you like to have the condition that exists, where your rental property has been in great demand for five or six years, and you are still getting your old rent because your commission can not increase the rents and can not cover the cases that come before it?

Mr. HAMMER. I would like to say that I did not increase my rents one penny during the war. Let me say further that this city contains more people than my entire congressional district, composed of 13 counties.

Mr. SAUL. I want to tell you one thing, that I represent a great many owners, and during the entire war I made no increases, but you could hardly expect them to keep that up forever. I do not know how long the Rent Commission will last, but I have not been able to increase my rents. There are represented in this room certain offices, and if their rents were taken before the Rent Commission, it would take three or four years for them to handle those increases, if they handled no others. In other words, the Rent Commission up to last May, when the law was to be extended, had heard, I think, 3,600 cases. Now, there are 100,000 tenants in Washington, and there are some 60,000 or 70,000 different buildings. Of course, the apartment houses contain several thousand separate apartments. Now, I feel this way, that when the Rent Commission was appointed—I think that was along about September, 1919—I made my first raise of 25 per cent in some apartment houses. I had kept them down, because I did not want to be subject to criticism, and did not want to help to make a bad condition here. I raised the rent on some apartments 25 per cent, and there was no objection to it. I held all the balance of the properties, in the neighborhood of 1,500 or 2,000, until the Rent Commission could be arranged, so that they could fix the rents. Of course, they did not get organized for a few months, and then they commenced hearing a few cases a day. I do not know how many, but five or six per day, I think. At any event, in the two years they handled 3,600 cases.

If I went to the Rent Commission it would take them a year to hear my cases, if they heard nobody else's, and I do not want to clog up the Rent Commission in that way. The only time I was able to raise rents was when I raised a few rents when the law was held unconstitutional by the court, and the increases then made in my office ranged from 15 per cent to 25 per cent.

Now, I do not think there is to-day any necessity for a Rent Commission, and I believe that if this law went out inside of three or four months there would be relief.

While the rents that are now too low would be increased, the high rents that the people are paying, or the rents that are too high, would be reduced, because those people would move out and secure cheaper rents.

Now, I suggested that when the Rent Commission was appointed, some flat increase should be made of, say, 35 or 40 per cent, which flat increase would cover the District. Then they could hear any cases brought before them; but it is impossible, in the way the situation has been handled, to hear the rent increases or decreases in Washington. It would be impossible to hear them in the next 10 years. In addition to that, of course, whenever a person wants to sell a piece of property, or where a person wants to buy a piece of property, it is a question of getting possession of it.

It is a question of whether the purchaser can get possession of it, or not. Now, if it had been feasible for the Rent Commission to have increased rents all over the District. I do not think you would have any proposition now for a new rent commission, because it would have been settled. As a general proposition, the rulings of the commission on the question of rents have not been criticised. So far as I have heard, they have not been generally criticised. Of course, there may have been criticism in some cases, but usually, I think, they have been fair.

Mr. HAMMER. I am glad to hear you say that.

Mr. SAUL. The complaint is due to their inability to handle the cases promptly. I want to say that real estate brokers in attempting to arrive at the value of a piece of rented property will usually ask what the prewar rent was, because that gives them a better basis than what the rent is to-day. They can build on that. They know it is worth more. I think that if the rents were raised in a flat way 50 per cent, or whatever you deemed advisable, then any other cases could be brought before the commission and determined.

Mr. HAMMER. That is, where there were exceptions?

Mr. SAUL. Yes, sir; or where there were any particular reasons why the increase should not be made. The people to-day are getting pre-war rents, while repairs are costing twice as much. In other words, if you want a house now, you must buy it, and in the present market it is costing in the neighborhood of 75 per cent to 100 per cent more to produce houses. Yet, there are tenants in old houses, built five or six years ago, but houses similar to the new ones, who are getting them for half of what they could be rented for or half of what they could be sold for. A great many people to-day are selling their houses because they can not get increased rents, and they do not want to subject themselves to criticism. I had a case recently where some 30 houses were sold because they did not feel that they could get proper rent. They sold them, and their increase in returns, after the money was invested in mortgages, was about 60 per cent more than what they were receiving in rents.

Now, I think if you are to have a Rent Commission, it would be advisable to have a change in the manner of hearing testimony in the cases. While there may be mistakes made, there will always be mistakes made, and they should be able to hear more cases. If you extend the law for two years, which I think would be very unfair, it will be a detriment and hindrance to the fair real estate owners here as well as to those who are unfair. You have laws enacted in North Carolina and all over the country affecting people who are violating the laws and who are criminals, but the trouble with this law is that it affects everybody. You do not want to pass a law that would put everybody in jail in order to put in jail the people who should be put there. It should only affect those who have been proven guilty, but this law does not simply affect those, but it affects everybody. It has been in existence now for nearly three years, and it is still unfair to every landlord in Washington. During the war there were very few who tried to get excessive rents, but those who got them then are getting them now. Those who felt that they did not want to upset conditions here during the war and did not want to be subjected to criticism, have gone along holding their rents down. They went along then holding their rents down, and they still have held them down. Now, you intend to renew this legislation for another three years, and let those rents run along practically on the basis of pre-war rents, when the cost of upkeep is increased 100 per cent or 150 per cent more than it was.

Mr. REED. Has any member of the committee a question to ask?

Mr. HAMMER. I am very much impressed with the fairness of this gentleman's statement.

Mr. SAUL. There is one other statement I would like to make. I notice that a statement has been made here in regard to advertising. I am satisfied that there are no such advertisements appearing.

There is one other thing I would like to mention, and that is to limit this to only one thing, or the control of the rents. It now controls the whole property. It controls the entire proposition. Let it be limited simply to the question of rents, and

if a man wants to get possession of a house or some other property, let that matter go to the municipal court. They are equipped there to handle those cases and they handle those cases every day. I suggest that that be taken out of the rent commission because it is a duplication. Now, if you want to get possession, you go to the rent commission, where you must wait a month or two to be heard, and then you go to the municipal court. There can be no advantage in that except to hinder the property owner.

Mr. MILLSPAUGH. I want to incorporate in the record a letter addressed to me by Mr. W. Marvin Pope, manager of the Washington Service Bureau, as follows:

WASHINGTON SERVICE BUREAU, May 5, 1922.

HON. FRANK C. MILLSPAUGH,  
Member Committee on District of Columbia,  
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN MILLSPAUGH: I would like to appear in person before the District Committee to answer certain statements recently made relative to advertisements of rental properties, but am compelled to be out of the city to-morrow and am taking this opportunity of writing you this short letter for the information of the District Committee.

I have conducted a rental bureau in Washington at 417 District National Bank Building since September last, and for this reason come in close personal contact with all advertisements pertaining to rental properties. Having followed all such advertisements since September, I know, of my own personal knowledge, that the statement that there were fake advertisements published is absolutely without foundation.

The records of my office show the real condition as regards rental properties, and this is especially true of rooms and suites of rooms used as flats in private houses.

Among the properties on my list for rent at the present time are any number of small housekeeping suites available in private houses in respectable neighborhoods at rentals from \$25 to \$50.

It is my experience, and my records will prove the statement, that at the present time the demand for such properties is considerably lower than the supply on hand.

Respectfully,

W. MARVIN POPE,

Owner and Manager Washington Service Bureau.

#### TESTIMONY OF MR. DAVID G. JOHANSON.

The witness was duly sworn by Mr. Reed.

Mr. JOHANSON. Mr. Chairman, I am the sublessee in case No. 4474. That case was filed on August 25, 1921. Numerous attempts have been made to get a hearing, and finally I did succeed in getting a hearing on April 11, and I have been waiting for a decision in the case since April 11. It is a simple case. It is not a contention between any property owner and myself, but between a sublessor and myself. I have no criticism to make of the commission, except that I know that a decision could have been rendered before this. It is a decision that could be rendered in 15 minutes time. The evidence is all in, with affidavits as to the value of the furniture in the apartment. There is practically nothing to do but decide on the facts before them. Now, there is one thing that I want to bring out here, and that is that a number of cases with higher numbers have been heard, or were heard before my case was considered. That is to say, I have seen published in the papers numbers as high as 5900, and mine is 4474. I would suggest here, if I may be permitted to do so, that cases in the future be heard according to the dates of filing, or according to the number, and not according to whether it is a property case, a rent case, or a possession case. That would help matters, and would expedite the cases. I might recommend, if I may be permitted to do so, that the personnel of the commission be increased from the present number by at least two or three more so that the cases could be expedited.

Mr. HAMMER. Are you a lawyer?

Mr. JOHANSON. No, sir.

Mr. HAMMER. You do not realize that if they took the cases in the order of their filing it would operate greatly against expediting the cases, because frequently a case is not ready for trial when it is reached. Of course, the only thing to do then is to pass it over. Frequently the attorneys on each side agree to have cases passed over. Of course, dockets ought to be called in the order of filing as nearly as possible, and that is especially true in dockets of this kind, but cases can not always be taken up in that order.

Mr. JOHANSON. I realize that.

Mr. SINCLAIR. May I say to Mr. Johanson that I think we decided his case yesterday, but the decision has not been written. The decisions have not been written up for the past week, because we have not been able to do so.

(Thereupon the committee took a recess until 2 o'clock p. m.)

AFTER RECESS.

(The hearing was resumed pursuant to the taking of the recess, Hon. Frederick N. Zihlman presiding.)

Mr. MILLSPAUGH. Mr. Weedon wants about five minutes, and I do not suppose Mr. Hammer would object to our going ahead with him while he is absent.

Mr. ZIHLMAN. The committee will be in order. This afternoon we hope to conclude these hearings in a reasonable time. Unless the committee determines otherwise, the witnesses will be allowed to make their statements and then the members will be allowed to interrogate the witnesses on matters germane and pertinent to the bill in the order of their standing as members of the committee.

STATEMENT OF MR. JOHN C. WEEDON.

Mr. WEEDON. I am a real estate broker located at 111 B Street SE. Being in the real estate business and an owner, I want to say that I was one of many brokers who recognized that an emergency existed when the original law was passed and was in favor of such legislation; we were also in favor—we certainly did not object—to the short extension because the fall was a bad time for the law to expire. I do not believe now that such an emergency exists as to warrant the extension of this law. I think if it is extended it will continue and amplify the unfortunate conditions that we have had here in the past few months, perhaps few years.

Personally, in the last year or so, I have acquired several lots on which I intend to build flats that will rent—well, similar flats are now renting for \$20 a month, and the new flats, of necessity, because of the double cost in prices under present conditions, would have to rent for about \$30 a month. I will not build under present conditions, but I would if I could control the rent to the extent of getting a fair return on the property. I know of several other people in this locality who have acquired a few lots and would build similar flats for the purpose of renting them and as an investment proposition. That is another reason why I think it would be unfortunate to extend this law.

Most of my business is in the southeast and northeast sections of the city; therefore, I represent the poorer class of landlords and a class of tenants who are not trying to keep up with the Joneses but who pay their obligations as a rule.

I have had very little trouble under this rent law. Personally, I have only had one tenant to go to the Rent Commission. I have had a number go from new buildings, of which we are the agents, that were constructed under the high costs. I think the trouble and contention has been due more to the inefficiency of the Rent Commission than to the law. They are bound to make some mistakes, of course, but a few rather glaring ones, I should say, have come under my personal observation. I know of one case where we were renting a small house for \$18.50 a month; we sold it for \$3,000; the purchaser rented the house at \$40 per month and it was approved by the Rent Commission. I would call that profiteering. I know of another house with a pre-war value of not exceeding \$4,000, and for that house they approved a rent of \$60 per month. Those are extremes, in one way.

I have a flat in which one tenant went to the Rent Commission; it has four nice large rooms with a tile bath; I was renting it for \$40 per month and they reduced it to \$32.50 per month, although I took and left with them the loose leaves from my loose-leaf ledger, showing for two years every dollar paid out on that property and every dollar received in rent, so that there should be no question between them and myself as to the facts in the case. The tenant was surprised, as well as myself, at the reduction in the rent. In the same block they fixed a rental of \$35.50 on what might be termed a nine-room flat, six rooms and tile bath on the first floor and three rooms upstairs. That is grossly too low a rental. Those are a few cases that I simply mention to show that they really know very little about rental values of property or they made big mistakes in these particular cases. I think that is all I have to say.

Mr. ZIHLMAN. You say you build houses for rental purposes?

Mr. WEEDON. I intend to build some and have built a few flats.

Mr. ZIHLMAN. Did you build them before the beginning of 1917?

Mr. WEEDON. These that I have.

Mr. ZIHLMAN. You still have them?

## 250 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

Mr. WEEDON. Yes.

Mr. ZIHLMAN. You have not built any since the Rent Commission has been in operation?

Mr. WEEDON. I have not, sir.

Mr. ZIHLMAN. You say that if the Rent Commission is abolished you intend to build some houses for rental purposes?

Mr. WEEDON. Yes, sir; as will several of my clients for rental purposes.

Mr. ZIHLMAN. How many houses have you?

Mr. WEEDON. That I own?

Mr. ZIHLMAN. Owned by you and now rented?

Mr. WEEDON. Of houses and flats I should say about 30.

Mr. ZIHLMAN. Mr. Sproul, do you wish to ask the witness any questions?

Mr. SPROUL. No, sir.

Mr. ZIHLMAN. Mr. Millspaugh?

Mr. MILLSAUGH. I do. I think you have made a very clear statement, Mr. Weedon, and I notice from your description of the properties, and also of the rentals that are charged in this locality where you operate more particularly, that houses and apartments here are very much less than they are in the northwest section.

Mr. WEEDON. Yes, sir; that prevails. We have a cheaper class of property over here.

Mr. MILLSAUGH. How about the property for rent over here? Is there considerable of it for rent at this time?

Mr. WEEDON. No; but there is some property over here for rent. I have three apartments for rent in one building, but that is up in the northwest.

Mr. MILLSAUGH. Were you here this morning?

Mr. WEEDON. I was.

Mr. MILLSAUGH. I asked this question of one of the witnesses this morning, if he did not think that a good part of the trouble at the present time over the rental situation was caused by a disposition to keep up with the Joneses. What is your opinion of that?

Mr. WEEDON. Well, I think that condition has always prevailed, but more in the northwest than in this section of the city.

Mr. MILLSAUGH. That is the section to which I referred more particularly.

Mr. WEEDON. Yes, sir.

Mr. SPROUL. Mr. Chairman, this morning Mr. Millspaugh asked Mr. Sinclair what it cost a year to run the Rent Commission. Mr. Sinclair has kindly handed me a statement of what it has cost for about 14 months; in other words, from October 22, 1919, to December 15, 1921. On October 22, 1919, Congress appropriated \$50,000, after which they asked for emergency appropriations of \$15,000 on June 16, 1921, and \$25,000 on December 15, 1921, making a total of \$90,000 that they have had appropriated for running the commission since October 22, 1919, and up until December 15, 1921. As I say, the total appropriations have been \$90,000, and of that amount there is \$10,979.28 in the Treasury.

Mr. MILLSAUGH. So that about \$79,000 has been expended?

Mr. SPROUL. Yes; since October 22, 1919, to December 15, 1921.

Mr. ZIHLMAN. If there is no objection, Mr. Sproul will be authorized to insert that in the record at this point.

(Said statement follows:)

MAY 6, 1922.

### *Statement of appropriations for Rent Commission, District of Columbia.*

Oct. 22, 1919, 50-50.....	\$50,000. 00
June 16, 1921, 60-40.....	15,000. 00
Dec. 15 1921, 60-40.....	25,000. 00
Total.....	90,000. 00
Balance.....	10,979. 28

S. MCKIMMIE,  
Acting Auditor, District of Columbia.

Mr. SPROUL. Mr. Sinclair in his testimony showed that they had saved the renters of the District about an average of \$70,000 a year during the time that the Rent Commission has been in power.

Mr. MILLSAUGH. That was according to his manner of calculating.

Mr. SPROUL. His manner of calculating, yes.

Mr. SINCLAIR. During a period of six months?

Mr. SPROUL. No; in a period of one year, according to the record and testimony submitted here.

Mr. SINCLAIR. In a period of one year at the rate stated during a period of six months.

Mr. HAMMER. Have you something before the committee?

Mr. ZIHLMAN. Mr. Hammer, you may put on any witness you care to have heard.

Mr. HAMMER. I have no witnesses. This gentleman spoke to me this morning and would like to be heard. I spoke to some witnesses but they have not appeared.

Mr. MILLSPAUGH. Will the merchants and manufacturers be here?

Mr. HAMMER. I have not gotten in touch with them. Mr. Andrews is out of the city.

Mr. MILLSPAUGH. I would like to have them here.

Mr. HAMMER. I will see whether I can get them here.

Mr. ZIHLMAN. Please give your name, your address, and whom you represent.

#### STATEMENT OF JOHN W. MAHER.

Mr. MAHER. John W. Maher, apartment 340, the Chastleton. Gentlemen of the committee, I am chairman of the committee on behalf of the tenants to represent the Chastleton Apartment House before the Rent Commission. My purpose in coming before you to-day is to express my views—

Mr. MILLSPAUGH (interposing). The gentleman has not been sworn.

(The witness was duly sworn by Mr. Zihlman.)

Mr. MAHER. My purpose in coming before you to-day is to express my views, as a tenant, on the necessity for the Rent Commission as well as those of the tenants of the Chastleton Apartment House, as evidenced by them in the recent investigation of the rents of that building, during which hearing, I, in the capacity of chairman of a committee, by them elected, with the cooperation of counsel by me retained in their behalf, presented their case to the Rent Commission.

While sitting here as a spectator on Friday afternoon last I heard, to my dismay, great stress, by several of the honorable gentlemen before me, laid on the fact that the present commission had taken up the investigation of the Chastleton as well as the Meridian Mansions out of their turn on the docket, and that their action in this regard was brought about by pressure to that end being brought to bear upon them by gentlemen of means and political influence dwelling in these houses. In plain English, that argument reduces itself to this: The Rent Commission should cease to be for it has failed to accomplish the end of its creation by catering to politics and money and leaving destitute the poor and needful. This, honorable sirs, is a charge of no meager import and one deserving of the most careful consideration and demanding more substantial proof or disaffirmance. What proof, in fact, was offered? Singularly and uniquely on stray, lonely accusation of fact, to wit: Senator Walsh's apartment. It has been asked in a most savory manner why these two large houses were taken up by the commission. I submit with all honor to those who ask it, that if these or other houses of equal magnitude had not been taken up the question would have evolved itself into why they had not been taken up.

The fact that no difficult undertaking had been entered into by the commission would have been to-day an argument for the uselessness of the commission, for the fact that they were fearful to deal with the money controllers of the city and consented to earn their salaries by handling the more trivial matters of individuals who presented them, and which claims, when adjusted, were retroactive to the date of their filing.

Mr. MILLSPAUGH. Are you not assuming a great deal?

Mr. ZIHLMAN. Just a minute.

Mr. MILLSPAUGH. He is questioning me.

Mr. ZIHLMAN. Is he reflecting on you?

Mr. MILLSPAUGH. Absolutely.

Mr. ZIHLMAN. Just make a note and interrogate him when he finishes.

Mr. MILLSPAUGH. I do not want to interrogate him; I want him to cut it out. He referred to me particularly and said that if they had not taken up the cases of the Meridian Mansions and the Chastleton I would have asked why they did not take them up.

Mr. MAHER. No, sir; I will read that again.

Mr. MILLSPAUGH. Well, read it again.

Mr. MAHER. I say I submit with all honor to those who ask it, that if these or other houses of equal magnitude had not been taken up the question would have evolved

itself into why they had not been taken up. That would be my question here. I do not say that you, Mr. Millspaugh, or any of the other gentlemen, would have asked it, but I say it would be a logical argument for the uselessness of the commission, and I say they might have earned their salaries by handling the more trivial matters, as they well might have done, and according to your arguments been accorded undue thanks instead of unjust criticism.

As to why the case of the Meridian Mansions was taken up has been explained by the commission. I am content to deal with the Chastleton and in entering upon my discussion of that case will ask: Who are the persons of means and political influence in that apartment house who brought their pressure to bear upon the commission? I ask for the names of two. I answer my own question by quoting, in substance, Mr. Bryan Pitts, vice president of the F. H. Smith Co., heretofore agents of Felix Lake, owner of the Chastleton, and the persons charged by Mr. Lake with the contending of the Chastleton case before the Rent Commission. From the witness stand in the commission rooms Mr. Pitts very clearly and unmistakably said, in substance—

Mr. SPROUL. (interposing). Will the gentleman yield right there? Whom do you represent, the landlord or the tenants?

Mr. MAHER. I represent the tenants of the Chastleton.

Mr. SPROUL. Do you live in the Chastleton?

Mr. MAHER. Yes, sir.

Mr. SPROUL. How long have you lived there?

Mr. MAHER. My lease is from October until October.

Mr. SPROUL. You are not satisfied with your lease and the rent you are paying in the Chastleton?

Mr. MAHER. I am not; no, sir.

Mr. SPROUL. How many rooms have you?

Mr. MAHER. Two rooms, a kitchen, and a bath.

Mr. SPROUL. How much do you pay?

Mr. MAHER. \$75.

Mr. SPROUL. Furnished or unfurnished?

Mr. MAHER. Unfurnished, and it is a court apartment. I might say in explanation that all of this will be found in the record of the Chastleton case, wherein I testified.

Mr. SPROUL. What do you think would be a fair rental for the apartment you are occupying?

Mr. MAHER. I think, if the decisions of the Rent Commission can be taken as a criterion, \$60 a month.

Mr. SPROUL. They have rendered a decision there?

Mr. MAHER. No. I say that if past decisions can be taken as a criterion of value then \$60 a month would be a fair rent. In the Chateau Thierry, an apartment house in the next block, apartments with the same number of rooms, but each room larger in dimensions, the kitchen there being twice the size of our kitchen, rent for \$60 a month, with a porch three times the size of mine and outside apartments, while mine is an inside apartment overlooking what they call the interior court where they empty the garbage and coal. Those are facts which appear in the Chastleton apartment case and I do not care to go into them unless you insist upon having that matter gone into.

Mr. ZIHLMAN. I want to say to some of the members of the committee that unless the committee otherwise directs we are going to allow the witnesses, in order to hear as many as possible, to make their general statements and then give each member of the committee a chance to interrogate them according to their standing as members of the committee.

Mr. HAMMER. That will very greatly expedite the matter.

Mr. SPROUL. But there are many who forget their questions unless they ask them at the time.

Mr. ZIHLMAN. I would suggest that members make notes of anything they desire to ask or bring out.

Mr. MAHER. I was quoting Mr. Byran Pitts and said that from the witness stand in the commission rooms Mr. Pitts very clearly and unmistakably said, in substance, that those tenants complaining in the case were all persons who were, by living in the Chastleton, thereby living beyond their means.

Gentlemen of means and political influence. Let their names be incorporated into your record, sirs, as a proof of the accusation laid against an able and honorable commission, if there are such persons. Barring Congressman Rhodes, I know of no other Senator or Representative, and most certainly there was no other connected with this case as a tenant. I say this and I am in a position to say it for the reason that I am

willing, on your request, to give the names of all tenants, witnesses, and supporters in this case, and am prepared to further state that to my best knowledge and belief two-thirds of those complaining are persons of moderate means and one-third men with families or girls supporting dependents. Was the Chastleton case instituted by the commission by reason of political and pecuniary influence brought to bear on them by the tenants? This contention descends from the improbable to the impossible on an examination of the case itself and the position and means of the landlord. For me to speak of the justice of rental adjustments in the Meridian Mansions case or those looked for in the Chastleton case would be to substitute myself in the stead of the court of appeals authorized to review these transactions as to questions of law and facts and to pass upon their merits.

A few general remarks will pave the way to a more logical argument and I will, therefore, proceed to make them. Are the rents of a building to determine the value of a building or is the value of the building to determine the rents?

This is an important question in determining why the Rent Commission took up the Chastleton. The court of appeals has laid down 8 per cent interest net as a maximum allowed by law on money invested in apartment houses. The return shall be 8 per cent net of the value of the building. Suppose these facts were true, that the Chastleton Apartment House was constructed in 1919-1921. The contracts for construction were let to the Wise Granite Construction Co., of Richmond, Va. That Mr. Lee Pachal vice president of that company, testified under oath that he had charge of the building of this house and said in final that the part known as the "old part" was entirely constructed by him at a figure of approximately \$500,000.

Mr. SPROUL. Mr. Chairman, I do not think the committee wants to hear any suppositions; we want the facts. This witness is saying, "supposing this thing is so, and supposing it might cost so much." Suppose it might cost \$10,000,000. You might as well suppose that. This supposing is not getting us anywhere. Let us have the facts.

Mr. MAHER. I am going to say that this is an apartment that I know something about, and I am assuming that it is—

Mr. SPROUL (interposing). We do not want any assumptions. We want facts.

Mr. MAHER. I am treating this proposition in this way, because I do not think it is within my rights to do otherwise, when the suit is still pending.

Mr. SPROUL. I would like to ask the gentleman what he knows about construction.

Mr. MAHER. I know nothing about that, but I pride myself at least on being able to multiply.

Mr. SPROUL. You would not know whether the building was worth \$10,000,000 or \$1,000,000, if you were sent up there to make an estimate on it.

Mr. MAHER. No; but when the contractor comes before the commission and says—

Mr. SPROUL (interposing). We are looking for facts.

Mr. MAHER. I would say this to the chairman and members of the committee: Take this supposition and believe it or not, as you choose, but take the statement of the gentleman in the apartment-house case, which I am very sure you could get from the commission, and compare those facts and figures and see if they do not coincide. I say these are true.

Mr. ZIHLMAN. There are quite a number of witnesses who are waiting to be heard.

Mr. MAHER. This is one of the largest cases which the Rent Commission undertook.

Mr. ZIHLMAN. I wish you would abbreviate your statement as much as possible, because there are several other witnesses to be heard.

Mr. SPROUL. Give us facts.

Mr. MAHER. Suppose that evidence in this case showed that the new or annex part cost approximately \$700,000, making the entire building ready for occupancy including the land and exception architects' fees and carrying charges worth \$1,200,000, approximately. Suppose that the same was sold on completion for \$2,325,000, and rented at rates sufficient to give 20 per cent net on this amount. Suppose that apartments of approximately 3,440 cubic feet or at a cost of \$2,064, taking 60 cents per cubic foot as the amount they paid for construction, are bringing in annual rental of \$1,020, or 51 per cent interest gross. Suppose that the same building was again under a contract for sale for \$3,000,000. Would you say that the rents charged were determinable of the value of that building or that the value of the building was determining the rents? What was the policy of real estate apartment house people when they desired to increase their rents prior to the rent act. Just go ahead and increase them, wasn't it? What is it now? I'm speaking of facts in the knowledge of all. They sell, lease or sublease the property at a figure designed to exact higher rents, is this not so? With this policy before you and the fact that a building for \$1,200,000, had in a little better than a year and a half increased to \$3,000,000, and with a rental return more than allowed by the court of appeals for even this figure would you still insist that



it was the duty of the Rent Commission to sit by and hear the minor complaints pending of individuals, which claims when adjusted would be retroactive to the date of filing them, and to let a grafting, profiteering scheme as savory as this purports to be go on until those in the wrong had made a small fortune from the earnings of men of moderate means? I ask you, why was the rent act amended giving the Rent Commission the power to institute proceedings of this nature, if not to the end that what they are endeavoring to do should be done? Is it the custom of this body to legislate laws on their face, to make them incapable of any effect by reason of their expiration before their force could be invoked?

This is the common-sense view of why the commission should have gone into the Chastleton case and I believe it is not impossible of being grasped by anyone disposed to allow argument to persuade them. Whether or not this case was given precedent on the docket is unknown to me, but I feel that if it was, it was justified.

Money borrowed at 6 per cent interest deductible the first year in advance, bonuses from 10 to 25 per cent, attorney's fees ranging as high as \$7,500 for negotiating the loans legally are cited by landlords for the reason of high rents.

Real estate men became discouraged and refused to put up houses for rent they say because of the rent act. Does not the fact that the plans outlined by the real estate men for the purchase of property on terms equal to rent, affect this proposition? Are not more houses under construction than at any time heretofore?

Landlords are going to Atlantic City and other cities to build if the rent act stays in effect, they say, and in the next breath they start negotiating for the construction of more apartment houses. Is it not a fact that more apartment houses have been constructed, larger and better ones, during the period covered by the rent law than for any period of equal duration heretofore?

The Ball rent law should be objectionable to one of your number because he can not see why if he saved up \$2,000 and invests it in real estate the Government should say that he should get such and such a return on his investment. I ask him what would happen if he were to invest that \$2,000 in railroad stock or in the stock of any instrument or incident of interstate commerce?

The Supreme Court has said in passing on the validity of the rent act that the act is constitutional for the purpose of adjusting conditions in emergencies to the best interest of the public, and that Congress has power to say when such emergencies exist. Our question is therefore, in my mind, not whether the present commission is in every particular competent but whether a commission is necessary to defend the rights of the citizens of the District of Columbia, for after all if the present commission was incapable is it not the poorest of redresses to quash an evil by creating a greater evil, to wit, no Rent Commission?

It is argued by others among your body, that the Rent Commission should be abolished because it has not by saving in rents to tenants paid the cost of its existence. Put this test of the advisability of a law or act of Congress to the eighteenth amendment to our Constitution and draw your own conclusions.

It should also be borne in mind in this regard that the work done by the Rent Commission can not be measured by dollars and cents saved to tenants, for what assurance have we that if the Rent Commission was not in existence the rent would not have been 50 per cent higher?

I have shown you a case where a judiciary, such as the present commission, is a necessity, and in behalf of those 300 of the tenants residing in the Chastleton respectfully ask this honorable body to favorably consider the rent act as existing or with powers enlarged or curtailed as in your judgment is to the best interest of the public.

Mr. MILLSPAUGH. Mr. Maher, where are you employed?

Mr. MAHER. I am in the Bureau of Internal Revenue, in the prohibition unit.

Mr. MILLSPAUGH. What is your salary?

Mr. MAHER. My salary is \$1,640 a year only.

Mr. MILLSPAUGH. With a bonus on top of that?

Mr. MAHER. No; that includes the bonus.

Mr. MILLSPAUGH. How old are you?

Mr. MAHER. I am 25.

Mr. MILLSPAUGH. It would not be germane to ask you what you were making prior to the war, because you were too young to be working.

Mr. MAHER. No; I was in college before the war.

Mr. MILLSPAUGH. You argued quite considerably in reference to the court of appeals. Did you see or read the opinion of the court of appeals in the Monmouth case?

Mr. MAHER. I read that opinion. I am studying law, and I pay particular attention to those things.

Mr. MILLSPAUGH. Do you think the court of appeals was wrong?

Mr. MAHER. I would not say so; no. Far be it from me to say anything of that nature.

Mr. MILLSPAUGH. When would you want this act to expire?

Mr. MAHER. When the emergency for which the act was passed ceased.

Mr. MILLSPAUGH. But the war emergency has ceased.

Mr. MAHER. That is your opinion, but the Supreme Court said that it is not a war emergency, but it is an emergency that must be adjusted to the necessities of the people.

Mr. MILLSPAUGH. You said you thought that an apartment of two rooms and bath at the Chastleton would be worth about \$60, I believe.

Mr. MAHER. I do not think that is necessarily true all over the house. I say that in regard to my particular apartment, for certain reasons. The apartment on the corner may be worth \$100 or \$150.

Mr. MILLSPAUGH. What do you think of the efficiency of a rent commission or the ability of a rent commission that fixes rent on that basis, and then grants Senator Culberson a rate of \$50 a month for two rooms and bath on Sixteenth Street, and that on the sixth floor of the Meridian Mansions?

Mr. MAHER. I would say this, sir, that there are different things in apartment houses, as you know, that are to be taken into consideration, when the Rent Commission is fixing the rental. For instance, in the Chastleton, my apartment is on a court. You have not said where the apartment in the Meridian Mansions to which you refer is located.

Mr. MILLSPAUGH. It is right on the front.

Mr. MAHER. Has it a porch?

Mr. MILLSPAUGH. I do not know.

Mr. MAHER. Those are things that should be known before a conclusion is drawn so far as these rentals of apartments are concerned. Is that apartment in good repair?

Mr. MILLSPAUGH. Absolutely. Then Senator Gooding has an apartment of two rooms and bath on the court for which he pays \$25.

Mr. MAHER. I would say if those things were in good condition and the facts were as you present them that it is kind of unfair, in view of the Rent Commission's decision in the Chateau Thierry case.

Mr. MILLSPAUGH. Do you think it would be unfair to charge other people \$80 or \$100 and charge Senator Culberson \$50?

Mr. MAHER. Not if there were not some material difference in the apartments.

I am not here to say that the Rent Commission in every case was right, but I am here to say that we are before this legislative body to look after our interests, and that our interests in view of the facts and conditions as they exist, require that this act be extended.

Mr. MILLSPAUGH. I am asking that question because you resented anybody intimating that the Rent Commission is not efficient.

Mr. MAHER. No; I did not say that.

Mr. MILLSPAUGH. You resent our saying that they are inefficient. You file a brief for the commission right off the bat.

Mr. MAHER. I do not say that; I said they were entirely, unquestionably acting honestly.

Mr. MILLSPAUGH. How much business experience have you had?

Mr. MAHER. I have had practically none.

Mr. MILLSPAUGH. Do you believe you would be justified or qualified to criticize the management of an apartment for paying an attorney \$7,500 for securing a loan of \$1,000,000?

Mr. MAHER. Did I criticize them?

Mr. MILLSPAUGH. I think you did.

Mr. MAHER. I did not; I simply said what the facts were.

Mr. MILLSPAUGH. Do you not think, if they pay—

Mr. MAHER (interposing). That was the truth; there is nothing as wholesome as the truth.

Mr. MILLSPAUGH. If they pay \$7,500 for securing a loan of \$1,000,000, is not that good business?

Mr. MAHER. It may be; that is a fact I have laid before you here for you to consider and criticize, if you like.

Mr. MILLSPAUGH. Would they not be entitled to a return on that?

Mr. MAHER. That is a question for you to answer.

Mr. MILLSPAUGH. I am asking you.

Mr. MAHER. That is a fact within my knowledge.

Mr. MILLSPAUGH. Why do you bring that in?

Mr. MAHER. I bring that in as being one of the facts that went to make up the price. This apartment house was built for \$1,200,000, and the price claimed for it was \$2,225,000. I am simply giving you the facts as to that. I was exempting the carrying charges and the architect's fees.

Mr. MILLSPAUGH. Why would you exempt those?

Mr. MAHER. Because they went to separate individuals. The architect's fees did not figure in the amount paid to the Wise Granite Construction Co., who constructed the building.

Mr. MILLSPAUGH. There are a lot of charges that you have not taken into consideration.

Mr. MAHER. It seems to me that the Rent Commission are the ones to look into that.

Mr. MILLSPAUGH. Are you an attorney?

Mr. MAHER. I am a law student; what you might call an embryo attorney.

Mr. HAMMER. You spoke of a Mr. Lake?

Mr. MAHER. Yes, sir.

Mr. HAMMER. What Mr. Lake is that?

Mr. MAHER. Mr. Felix Lake.

Mr. HAMMER. Is he the same gentleman who owns Clifton Terrace, or did until recently, and is said to have sold that apartment to his secretary, Miss Nancy Goss?

Mr. MAHER. I understand that to be a fact.

Mr. HAMMER. Is he the same gentleman who is now refusing to accept rents from tenants who have leases on their apartments through Miss Goss, who is said to be in his employ?

Mr. MAHER. That is the same man.

Mr. HAMMER. And he is refusing to accept any rents whatever from any persons until after the expiration of the Ball law?

Mr. MAHER. Yes; and he is not the only one. Then, too, he is the same Felix Lake who has failed to appear on several summons of the Rent Commission.

Mr. HAMMER. Do you know that he has sold the Clifton Terrace property to Miss Nancy Goss?

Mr. MAHER. I do not know it to be a fact, but I do know it to be a rumor.

Mr. HAMMER. Is she his secretary?

Mr. MAHER. I do not know that for a fact.

Mr. MILLSPAUGH. Those questions you answered in reply to Mr. Hammer, you do not know anything about?

Mr. MAHER. I said I heard they were rumors. I would like to put this in the record as one accusation made by Mr. Schneider, who is the owner of the Cairo Apartments. Mr. Schneider was sort of accusing the Rent Commission in my presence of interference and partiality toward tenants, and he cited the case of a recent incident that occurred to him. The Rent Commission served a summons on him to appear and show cause.

Mr. MILLSPAUGH. Was that at the hearing?

Mr. MAHER. It was at the Chastleton hearing.

Mr. MILLSPAUGH. Before this committee?

Mr. MAHER. No, before the Rent Commission. He testified they were interfering because they had raised an apartment of his \$3 a month. He said it looked as though they wanted to raise it some more. That just goes to show how much people will grab hold of the least little thing as a means of criticism. When it came time for him to find out from the commission what his trouble was he found that it might not have been raised if the circumstances had been different. You do not know what the commission is up against. Subpoenas are sent out and not responded to. Mr. Lee Paschall was advised a number of times by men from the District of Columbia in Virginia not to appear in the Chastleton case.

Mr. ZIHLMAN. Let us not go into that now. We would like to be fair to you, but we do not want to be unfair to the other witnesses.

Mr. HAMMER. I desire to say this, Mr. Chairman, that it is a fact that Mr. Lake has sold this property to the lady I referred to a while ago. I do not know what her capacity is.

There is another matter I want to call attention to. The lady who appeared before the committee yesterday, Miss McEachern, has made her statement in a sworn form. I have it here now in that form and I would like to have it take the place of what was put in the record on yesterday.

Mr. ZIHLMAN. Is it substantially the same statement?

Mr. HAMMER. It is exactly the same except that some of the latter part is put first. She wants these things put together, and she says there is no difference in the wording

except in connection with the gas stoves in the kitchenettes. Outside of those things it is just the same.

Mr. ZIHLMAN. If there is no objection, that will be done.

Mr. HAMMER. It is exactly the same thing.

(The statement referred to is as follows:)

WASHINGTON, D. C., May 2, 1922.

HON. WILLIAM C. HAMMER,

*Washington, D. C.*

DEAR SIR: The following information will give you a slight idea of conditions under which I have spent nearly three years in the Monmouth Apartments.

I have a two-room kitchenette and bath apartment facing the west, a small bedroom, and a larger inside room with only one window and that one on the extreme end of the room, leaving the other half of the room so dark that lights have to be used at all times. We have no blinds to shield us from the hot summer sun and we have never been given awnings. We were promised awnings the summer of 1919 just as soon as the firm who had the contract could complete the job. We are now beginning the fourth summer without the awnings on those western exposed rooms.

From lack of elevator service have had to walk up to the eighth floor as often as three times a day, which left me in a very exhausted condition and unable to go out again until after resting. The bells on the elevator, until recently, for months did not register, causing us to have to stand waiting indefinitely. Passengers have been brought up to the seventh floor after my ringing and waiting on the eighth floor for service, and because my bell did not register the elevator has been run down, leaving me waiting. After already losing time waiting, I could not risk the same thing happening again, so had to walk down, many times causing me to be late at office and other engagements, which was very embarrassing and against my record. During the summer months while ice is being delivered when there is only one elevator running (and that is usually the case) the tenants have to stand on the floors and wait for service. Hearing an elevator running, we always hope it is on the way up, but after a long wait we have to walk down, and on inquiring why we can't get service are told that the ice has to be delivered regardless of the tenants. The ice is usually being delivered up to 9 o'clock in the morning during the very time when most of the tenants are in the great rush of trying to get to office on time. Recently, when neither elevator was running and after walking up eight floors several times during the day, one car began to run or rather bump its way up, causing me to become faint from fright, thinking we would be sent crashing to the bottom every bump. This is not an unusual occurrence, but this time the car stopped halfway between the fifth and sixth floors, and in that very dangerous position the elevator boy managed to open the door. He jumped down to the hallway, as did also a tenant from apartment 812, each of them holding a hand while I jumped down several feet to the hallway. The jar I received from the jump caused an internal misplacement that has caused great suffering since. After dragging myself up the other three floors I had to go to bed from the shock. At another time my son and several ladies were on a car that dropped from the fifth or sixth floor to the bottom, not doing any damage as it happened, but very dangerous and shocking to everyone on it. I only mention these two personal experiences as examples of similar experiences that other tenants have had.

We have had positively no heat in radiator in living room nor bath for two winters. We were promised each time we complained that a man would be sent to investigate. The plumbers told me that the radiators were hopeless and the only relief would be new ones; that new ones had been provided some apartments. The management agreed that I would have to have a new radiator in 1919, but did not furnish it until the winter of 1921. Because of the lack of heat I have had to give up the pleasure of having my friends in my apartment—have been obliged to take them out or entertain them in the lobby. Even after the new radiator was installed this winter in living room we did not get heat from about 9.30 a. m. until after the furnaces were cleaned near midnight unless a special man was sent to open the pipes and make a certain adjustment. During the bitterest days of the winter since the new radiator was installed we had no heat for three to four days running; January 1, 2, and 3 had no heat at all in whole apartment. Christmas Day and two days after, when everyone enjoys the home, we were obliged to go out, as we were entirely without heat. In December I contracted influenza from continued exposure from no heat and had to be sent home from office. I asked to be allowed to stay at office as long as possible because I knew I would go home to a cold apartment. My bedroom has a tiny radiator that could not heat this northwest room even if it were hot through every section. Not over two or three sections were ever hot in cold weather, the rest possibly milk warm. I have called the manager to my rooms on more than one occasion to see for

herself how we were suffering. Once, after conversing about 10 minutes, she begged me to excuse her as she was "chilled to her knees." She could only stay in my room about 10 minutes, but I had to live in them. Just about January, 1922, I was reporting to the manager no heat for several days and begging for something to be done. She told me that "she was nearly crazy over the distressing condition of all in the building and that she had just lost two very nice young couples who moved because they could not stand the cold." A gas stove is furnished in the apartment kitchen. In July, 1919, I began requesting that the rods in the baker of this stove be repaired so that I could get sufficient heat for baking. This was not done. As the winter came on and no heat was provided, as I have said, I was forced to use the damp, smelly heat from the gas baker to heat my living room. Only about every third to four hole in the gas rod lighted. In the others the pressure was not sufficient to light, but was sufficient to escape. The escaping gas caused my son and myself to have raw throats and a rawness in our ears and nostrils. By February, 1920, the escaping gas was so strong that both of us began to suffer from a peculiar nauseated condition. Neither of us could take food nor bear the weight of our clothes about the waistline on account of peculiar internal soreness that must have been the same raw condition as that of our nasal passages and throats. My son was away from school two days on account of this illness and I from office. I reported our condition caused by the escaping gas, and not until then was any attention paid to it.

From July, 1919, to December, 1921, we had no hot water at all in the morning. About the only time we were able to get hot water was around 7 o'clock p. m., then again near midnight. In the morning when we wanted our baths before going to our duties for the day we could not get them. When the cold water happened to come on at all before 9 a. m. it was only a thread stream that stopped every few minutes. We have to stand in the rush of the morning holding a tumbler to catch the few drops that we were only too glad to get before it went off again. The management knows that we have not only had to go without our morning bath, but that we have actually had to go out for the day without face, hands, or teeth washed. I have been obliged to bathe in cold water (when we could get it) during a period in each month that very few women can stand the shock of a cold bath without serious illness and loss of vitality following. This has caused me much suffering.

Mr. Hammer, I am not the only tenant who is suffering just as I have. Some are too timid to go into the unpleasant discussion. I have stood this for nearly three years and have just come to the decision that I would make this statement. One of the most disgusting conditions caused from no water was our whole family having to use the toilet in the morning and leave it standing until our return after 4.30. In warm weather I have gone into my apartment and have been obliged to leave on account of that unpleasant condition. On days when we were at home ill and on Sundays we have been obliged to live and endure that condition for several hours running.

It is my desire that this letter be read to anyone who is opposed to protection for the tenant in the District of Columbia, if you see fit to do so.

Yours very truly,

EULA O. McEACHERN.

Subscribed and sworn to before me this 4th day of May, 1922.

[SEAL.]

LOU H. CADARR, *Notary Public*.

My commission expires April 17, 1925.

#### STATEMENT OF MR. JUDSON I. KINGMAN.

(The witness was duly sworn by Mr. Zihlman.)

Mr. ZIHLMAN. Whom do you represent?

Mr. KINGMAN. I am a landlord.

Mr. ZIHLMAN. He represents himself as a landlord.

Mr. KINGMAN. Just prior to the 26th of August, 1921, I made application to the Rent Commission to get possession of my property, 2007 H Street NW. When the thing came up in a hearing the tenant had an attorney there, but I did not. My application was to the effect that the tenant was undesirable, that I wanted my house: I wanted to remodel it; I wanted it for my son to live in; and I was turned down on all three propositions. Mr. Sinclair said there was nothing in the Ball law by which he could do anything for me. I told him I was there for information as to what to do. He said, "I do not know what I could do," but he advised me to send a statement in there asking them to adjust the rent, which I did on the 26th of August, 1921. On the 5th of January, 1922, the case was heard, and on the 6th of Feb-

tuary they rendered a decision increasing the rent from \$40.50 to \$52.50. About five days after that the tenant asked for a rehearing, and on the 28th of February the Rent Commission did not grant a rehearing.

I immediately sent this man a bill for back rent amounting to \$72—\$12 a month for six months. It was the day before the 1st of March. On the 1st of March he did not pay the rent. On the 2d of March we served a seven-day summons for nonpayment of rent. We were thrown out of court on the 10th of March, and on the 15th of March we served a 30-day notice for nonpayment of rent.

In the meantime I had sued the tenant and got a judgment in the municipal court for \$72. I wrote a letter to the Commerce Department, where he is employed, to the chief clerk, and I have a letter in my pocket from this man stating that he did not know me at all, that he had no transactions with me in any shape or form; that he had his rent paid up to the 1st of April, and that if I wanted to know anything further to consult his attorney. Why I should do that when I have a judgment against him, I do not know. He paid on the 15th of March, when served this 30-day notice. That went on until the 14th of April, when he came in and paid a month's rent. On the 18th we served another notice.

That is the sum he is behind now; he has not paid his April rent, and I am unable to collect the \$72 because he does not get salary enough to rent a house for \$60 a month, that being a nine-room house. It is not so much a question of the rent with me. I am absolutely denied my property. I want it for my son. The Rent Commission used me fairly. All this man has been doing is to play for time, in the meantime getting considerably more out of the house than I have, and absolutely no prospect of me getting the house.

There is only one way I can get it. But I do not want to sell it, because I have three pieces of property there. If I sell this, which is in the middle, it will cut my property in two, which I do not want to do. If it was on one side I would have sold it long ago. If I make application now and give him a 30-day notice that I want my house, that I want possession of my house, and tear up my home, and move into it, the chances are he will take the application to the Rent Commission and it will be several months more before the thing is heard. So I stand to have him as a tenant, if this is continued, as long as the law is continued, and I would not have anything at all.

Mr. SPROUL. Evidently you rented that house for \$40 a month when the tenant went in there?

Mr. KINGMAN. The tenant went in there when I bought the property.

Mr. SPROUL. At \$40 a month.

Mr. KINGMAN. No; he was paying \$27.50.

Mr. SPROUL. And you raised it to \$40?

Mr. KINGMAN. I spent about \$200 or \$300 on it, and the lease expires on the 1st of August.

Mr. SPROUL. Now, you want to go back and collect \$72 a month from the tenant because he is not paying what the Rent Commission allowed you seven or eight months afterwards?

Mr. KINGMAN. No; that is what the law states, that if the Rent Commission increases the rent—

Mr. SPROUL (interposing). You had a lease with him at \$40 a month, but you still want to go back and collect \$12 a month from him for the time he occupied the building.

Mr. KINGMAN. No; from the time I made application to the Rent Commission and the Rent Commission adjusted the rent.

Mr. SPROUL. How long was that?

Mr. KINGMAN. That was the 1st of September.

Mr. MILLSPAUGH. That is what the law provides.

Mr. ZIHLMAN. Some of these conditions of which you complain would exist, even though the Rent Commission were abolished, would they not? You would still have difficulty in getting your property under the procedure outlined.

Mr. KINGMAN. As I understand it, although the commission did not exist, I could go into the municipal court and get action against him.

Mr. ZIHLMAN. You have gotten a judgment which you say you can not collect?

Mr. KINGMAN. Yes; that is the question, whether I can not get him out that way. I do not know which way the law would go.

Mr. HAMMER. My understanding is—I do not know the operation and the procedure of your courts—that the commission has nothing to do with your trouble. You do not blame the Rent Commission in any way for your trouble.

Mr. KINGMAN. No.

Mr. HAMMER. The only thing you have to do is to go into the municipal court and bring an action, if he is not paying his rent; is not that the law—or have you a contract?

Mr. KINGMAN. No, I have no contract at all.

Mr. HAMMER. Under the general law, if he is a tenant from month to month all you have to do is to go into court and have him ejected.

Mr. KINGMAN. But then just before the 30 days are up he comes in and pays a month's rent.

Mr. HAMMER. I would just keep on serving him.

Mr. KINGMAN. But I want the property. I would like to build a garage there. Then there is another thing. The law provides—

Mr. HAMMER [interposing]. The court would take judicial notice of the fact that he was doing that in that way and for that purpose, and I think the court would give you relief.

Mr. KINGMAN. The law also provides that if the Rent Commission reduces the rent it collects for the tenant.

Mr. HAMMER. Mr. Chairman, this does not appear germane to the subject we have under consideration, and I do not think we should prolong it.

I may say, Mr. Chairman, that Mr. R. P. Andrews and Mr. Columbus, representing the Merchants & Manufacturers' Association, have promised to come up here this afternoon, and I understood they would be here very shortly.

#### STATEMENT OF MR. EDWARD A. BRITTON.

(The witness was duly sworn by Mr. Zihlman.)

Mr. ZIHLMAN. Whom do you represent?

Mr. BRITTON. I represent myself. I also happen to be vice president of the Tenant's Protective League, which has been very active lately in the District of Columbia. I am a tenant at an apartment at 901 Twentieth Street NW., which contains 11 apartments. I occupy apartment No. 8, leasing the apartment in September, 1917, and occupying it on October 1, 1917, at \$43 a month, which the landlord told me was an increase, because it was during the war.

The landlord kept on increasing and asking for more rent, and finally I took the case to the Rent Commission on my own volition and asked them to fix a fair and equitable rent. The Rent Commission fixed a rent at \$52.50, although my landlord was asking \$65. My landlord took out eviction papers, but finally accepted and took the \$52.50 a month. Since that time the landlord has died, and the property has passed into the possession of his wife, who is now asking \$80 a month. My rent at first was \$43 a month; it is now \$80 a month.

The apartment house rented in 1916, according to the figures given before the Senate committee investigating this case in 1919 at the Ball Rent Act hearing, for \$3,798. They are receiving now in gross rentals, according to the statement made to the Rent Commission in this affidavit, \$6,631.40. The rents have increased, in the case of apartment No. 1, from \$47 in 1918 to \$100 at the present time; in apartment No. 3, from \$75 in 1918 to \$125 at the present time; in apartment No. 4, from \$29 in 1918 to \$50 at the present time; in apartment No. 5, from \$60 in 1918 to \$90 at the present time; in apartment No. 6, from \$60 in 1918 to \$90 at the present time; in apartment No. 7, from \$32 in 1918 to \$45 at the present time; in apartment No. 8, from \$43 in 1918 to \$85 at the present time; in apartment No. 9, from \$55 in 1918 to \$85 at the present time; in apartment No. 10, from \$25 in 1918 to \$40 at the present time; in apartment No. 11, from \$41 in 1918 to \$80 at the present time. The increases in rent have ranged from 75 to 100 per cent.

The property was said to have been bought, as was testified before the Senate committee, in 1912 for \$40,500, of which \$12,000 was paid in cash and the balance in notes. It is on the tax books of the tax assessor's office at \$30,203. That is just an example of some of the cases that have come to my personal knowledge.

During the war I chanced to be secretary to the Secretary of the Navy and was appointed a member of a board to take up with the chief clerks of the various departments the matter of the increases in rents throughout the District of Columbia. We found thousands of cases affecting naval employees which were very disastrous to them. A number of them had to move. I want to say for myself and for a great many folks with whom I have come in contact that the Saulsbury Act and then the Ball Act have proved their salvation in the District of Columbia. But for these acts we would have had excessive rents charged and the tenants have needed protection of this kind.

Mr. ZIHLMAN. These increases of which you speak, in many cases as much as 100 per cent were not sanctioned by the Rent Commission, were they?

Mr. BRITTON. No.

Mr. ZIHLMAN. Is that merely an application for an increase?

Mr. BRITTON. This was an application, but my rental was raised in 1919, and I went to the Rent Commission and asked them to fix the rent, because my landlord was very nasty and ugly to me personally. Now I am asked to pay \$80 on top of that, after the statement of my landlord that the property was valued at \$75,000. I do not know how it appears on the tax book now, but I am sure it does not appear as near that as \$50,000. Upon that basis my rent was asked to be increased to \$80, having gone up from \$52.50.

Mr. ZIHLMAN. Referring to the list of increases you spoke of a moment ago, were those the increases asked for in the application for the increases, or the actual increases?

Mr. BRITTON. Those were the applications for increases. I could give you the actual increases.

Mr. SPROUL. How many apartments are there in the building?

Mr. BRITTON. There are 11 apartments. One matter that is given as one of the causes for the increase is the charge for the expense for the resident manager. I have been informed by a real estate man in the city of Washington that a building with 11 apartments should not have a resident manager; it is not large enough for that expense.

In these items showing the rentals from this apartment building there was not included the rent charged for the apartment which the lady who owns the apartment occupies, nor her husband when he was living, when they occupied one of the apartments, but they add to the expenses their expense for maintaining the apartment, but charge themselves no rent for it, while for the same apartment they are asking \$100. So they are using it to add to their income \$1,200 more, making a total income of nearly \$8,000.

Mr. SPROUL. What was the actual increase from rent in 1918?

Mr. HAMMER. What do you mean?

Mr. BRITTON. This is what they are paying now, not what they paid in 1918; what they are paying now in 1922.

Mr. MILLSAUGH. Is that under the order of the Rent Commission?

Mr. BRITTON. Only two of us went before the Rent Commission, a Miss Catherine Horan, who occupies one room, who is an old lady, and myself; we were the only two.

Mr. MILLSAUGH. They did not fix all of them.

Mr. BRITTON. Only two.

Mr. MILLSAUGH. They reserved that for the Meridian Mansions and the Chastleton.

Mr. BRITTON. No; I do not think that is a fair thing to say. I found the Rent Commission very fair.

Mr. MILLSAUGH. Fair to whom?

Mr. BRITTON. Fair to the tenants and to the landlords.

Mr. MILLSAUGH. Were you a landlord?

Mr. BRITTON. No; I was not.

Mr. MILLSAUGH. Then, how do you know that?

Mr. BRITTON. Because I know something about the cost of building. I am a reasonable man, and I know there has been rent profiteering, outrageously, in the District of Columbia.

Mr. SPROUL. I understood you to say when the apartment building was sold to the present owner \$40,000 was the price paid for it.

Mr. BRITTON. According to the sworn testimony before the Senate committee.

Mr. SPROUL. The man who bought that property is certainly entitled to an income of 7 per cent, is he not?

Mr. BRITTON. Certainly.

Mr. SPROUL. That would amount to \$2,800 in a year.

Mr. BRITTON. Yes, sir.

Mr. SPROUL. The taxes on the property amount to \$500?

Mr. BRITTON. Yes.

Mr. SPROUL. That is putting the taxes low, is it not?

Mr. BRITTON. I am not certain about the taxes; I am not informed on that.

Mr. SPROUL. And the cost of repairs, putting them very low, would be about \$60 an apartment, or, say, around \$700?

Mr. BRITTON. Oh, well—

Mr. SPROUL (interposing). Just take into consideration the fact that every time a man goes there do a little repair work in that building he is paid \$1.25 an hour.

Mr. BRITTON. I do not know that he is.

Mr. SPROUL. In fact, the apartment house owner is paying \$2 an hour, because the contractor gets his percentage out of it.



Mr. BRITTON. You are taking a hypothetical case.

Mr. MILLSPAUGH. But Mr. Sproul is a contractor.

Mr. BRITTON. I do not care about that. He is taking a hypothetical case.

Mr. SPROUL. That amounts to \$700 or \$750 a year. Then the janitor service would be \$1,200.

Mr. BRITTON. Nonsense. He is paying from \$25 to \$40 for janitor service.

Mr. SPROUL. Then he is getting it cheaper than anybody else can get janitors.

Mr. BRITTON. You are a contractor and you are taking the top-notch figures.

Mr. SPROUL. No, I am not; they are the figures that the landlord would take and the figures I have paid. But leave that out. Suppose he is only paying \$600 instead of \$1,200.

Mr. BRITTON. These are your figures.

Mr. SPROUL. Take the lights that light the halls; the landlord lights the halls.

Mr. BRITTON. What do you figure that at?

Mr. SPROUL. \$40.

Mr. BRITTON. For how long a time?

Mr. SPROUL. A year.

Mr. BRITTON. I guess \$40 a year would be cheap.

Mr. SPROUL. And depreciation \$800.

Mr. BRITTON. No.

Mr. SPROUL. Not that much?

Mr. BRITTON. I do not think so.

Mr. MILLSPAUGH. What?

Mr. BRITTON. No, I do not think so.

Mr. MILLSPAUGH. Oh, my!

Mr. SPROUL. And coal for the heating of a building of that kind would amount to about \$840 a year.

Mr. BRITTON. I doubt it.

Mr. SPROUL. I do not doubt it because I have had many of them.

Mr. BRITTON. I can give you the figures exactly. I can tell you exactly what it is.

Mr. SPROUL. His total rent amounts to a little over \$6,000 a year?

Mr. BRITTON. According to present figures, yes.

Mr. SPROUL. I do not see where the landlord is profiteering; he is not getting 7 per cent on his investment.

Mr. HAMMER. I want to ask you a question for information, and it is the second time I have had to resort to it for Brother Millspaugh's information. When was it that your rent was fixed?

Mr. BRITTON. My rent was fixed in 1920.

Mr. HAMMER. Captain Oyster was on the commission at that time?

Mr. BRITTON. Captain Oyster was on the commission at that time.

Mr. HAMMER. And Mr. Millspaugh knows the fact, and yet he persists in continuing to ask the question, that at the time, under the law, there was no authority in the commission to ask for data from the other tenants, no way to ascertain the data, therefore they only acted upon the two applications that were made. I hope that will answer my friend, who laughs at the witness's statement.

Mr. MILLSPAUGH. It does not, because the law provides that they shall do it. It did have that provision.

Mr. SINCLAIR. The law was declared unconstitutional.

Mr. MILLSPAUGH. You called for it.

Mr. HAMMER. The law has been held unconstitutional. The gentleman has the assistance of all these attorneys appearing here for the landlords and I think we ought to break down the rule and let the attorneys ask questions instead of permitting mere laymen to ask questions.

Mr. MILLSPAUGH. I will say that no attorney prompted that question at all; I asked it out of my own head.

Mr. BRITTON. I want to read into the record one other thing, with your permission, just to show the increase in rent, and to show the rental profiteering going on.

Apartment No. 1, rented for \$47 in 1918, and is now renting for \$60; apartment No. 2, used by the owner, was not paying rent; apartment No. 3 was renting for \$75 in 1918, and \$125 is being received now; apartment No. 4 rented for \$29 in 1918 and \$32 is being received for it now; apartment No. 5 rented for \$60 in 1918, and \$90 is being received for it now; apartment No. 6 rented for \$60 in 1918, and is now renting for \$65; apartment No. 7 rented for \$22 in 1918, and \$25 is being received for it now; apartment No. 8 rented for \$43 in 1918, and \$52.50 is now being received for it; apartment No. 9 rented for \$55 in 1918, and \$61 is being received for it now; apartment No. 10 rented for \$25 in 1918, and \$26 is now being received for it; apartment No. 11 rented for \$41 in 1918, and \$52 is being received for it now.

Mr. MILLSAUGH. I want to say this for Mr. Hammer's benefit. He charges me with laughing at the witness—

Mr. HAMMER (interposing). I do not think you are very gracious.

Mr. MILLSAUGH. If a man qualifies as an expert witness and then says a 2 per cent depreciation charge on a building is too high, when the Government allows 2½ per cent in the figuring of your income tax return, I question that statement.

Mr. HAMMER. But the gentleman is entitled to be respectfully treated I think.

Mr. MILLSAUGH. I did not treat him disrespectfully.

Mr. BRITTON. I do not claim to be an expert; I claim to be a tenant paying an excessive rent.

Mr. SPROUL. You think you are paying an excessive rent?

Mr. BRITTON. I know I am.

Mr. SPROUL. You know that the cost of building has increased since 1918.

Mr. BRITTON. I know that.

Mr. SPROUL. More than 100 per cent.

Mr. BRITTON. When a man buys a piece of property in 1912 and pays \$40,500 for it, and he would have paid less if he had paid cash—

Mr. SPROUL (interposing). But his property is worth more than that now.

Mr. BRITTON. It should be worth more, but it is not worth a 100 per cent increase.

Mr. SPROUL. It would cost more to reproduce that property now than in 1918 by 100 per cent.

Mr. BRITTON. Then why do they not put a larger tax assessment on these people?

Mr. SPROUL. I want every one here to understand that I am not with the landlords when the landlords are wrong, but I do believe everybody should get a fair show. If the tenants are paying too much we should know it. But I think the tenants also should know that it costs 100 per cent more to put up a building now than it did in 1915 and 1916, and probably in 1918.

Mr. BRITTON. But that building was not put up in 1918.

Mr. SPROUL. That does not make a particle of difference. What would it cost to produce that building to-day? That is the way we have to look at this proposition. I do not think the landlord is asking too much considering what it is worth, and what its costs to keep it in repair, and what it costs for coal, and things of that kind.

Mr. BRITTON. You appear to be a reasonable man. Do you not think when a landlord increases rent 100 per cent, that is unreasonable?

Mr. SPROUL. I had several apartment buildings and I wanted to raise the rent \$5 a month in 1917 to take care of the coal, but the tenants said they would not stand it. I said we will not make any leases, and I sold the building. I sold it to a tenant who had been with me several years, and who would not stand the increase of \$5 a month. I sold it in July. On the 1st of October he raised the rent from \$45 to \$80 a month. Those apartments are renting to-day for from \$80 to \$110 a month.

Mr. MILLSAUGH. And a former tenant owns the building?

Mr. SPROUL. A former tenant owns the building.

Mr. BRITTON. You must believe that the President in naming a board of rent commissioners under the Ball Act, if extended, would name commissioners of good repute. Would you not be willing to submit your case to them?

Mr. SPROUL. I think when the commission was formed the President should have picked out men who knew something about the real estate business and the value of property, and I do not think he did.

Mr. BRITTON. You have heard about the lion and the lamb lying down together. The tenants play the part of the lamb too often.

Mr. SPROUL. I know one case where the landlord played the part of a lamb for a long time.

Mr. HAMMER. Attention was called by Brother Sproul to a charge for depreciation of \$800, and he made complaint that that was not enough.

Mr. SPROUL. I have no complaint to make about it. The gentleman is wrong about that; I just stated the fact.

Mr. HAMMER. I beg your pardon. Now it is contended that the property has depreciated very greatly in value. One gentleman takes one position and the other takes another.

Mr. MILLSAUGH. When you make out your income tax, do you not make an allowance for depreciation?

Mr. HAMMER. Yes; there is depreciation.

Mr. SPROUL. That is done in every court in the land, in figuring depreciation in condemnation proceedings.

Mr. HAMMER. I desire to call attention to the fact that the record shows that the Chastleton was built in 1919 and 1920 when prices were at the peak and the cost was

## 264 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

\$1,200,000. Now they ask for rentals based upon a valuation of \$3,000,000 That is one of the inconsistencies.

### STATEMENT OF DR. HOWARD J. WILLIAMS, 310 K STREET NW.

(The witness was duly sworn by Mr. Zihlman.)

Doctor WILLIAMS. Mr. Chairman, personally, I am opposed to the continuation of this Ball Rent Act. I am speaking from the standpoint of a landlord. I had occasion last summer to be summoned before the Rent Commission, after the case held fire for about five months, and it was brought to trial in January. I had a contract, or an agreement, with the tenant, the husband. The husband was urged to bring the complaint against me on the fixed rental. He would not do it, and his wife filed a complaint. At the time of the hearing I entered an objection that she was not the proper party, and one of the members of the commission urged that the case be dismissed, that she was not the proper party. But the chairman then and there joined the husband, whether with his consent or not, I do not know. The case proceeded to trial and I submitted data, and not only data, but receipted bills for money to the extent of nearly \$600 that I had paid for repairs. When the decision of the commission was handed down the rent was reduced \$10 from the fixed price. It rented for \$60, and the woman was asked what it was worth, and she said \$40, and I presume the difference between \$40 and \$60 was fixed, because the amount was put at \$50.

This man has not paid me any rent this month, but he sends me a special-delivery letter, so I could not refuse it, containing \$35. He says he deducts \$15 on account of the back rent that I owe to them for five months when the case was pending. I submitted the matter to the municipal court on the 24th of April. I have no decision yet. His rent is due in a few days and I do not know whether I am going to get it. The people are objectionable to me, and I am objectionable to them, but I can not get them out. They will not speak to me; they did send me the rent in a registered letter. Last winter I heard it said that there was no way for the Rent Commission to compel one to make any repairs. But last winter the boiler burst. The wife said she made a fire, but there was no water in it. They went to the Rent Commission, presumably the Rent Commission referred them to the health office, because the health office gave me 48 hours to spend \$60 to have it repaired or be punished in the police court.

Prior to that they broke the hopper in the bathroom, and that cost me \$35. All these repairs were made with the same people, and they will do it over again this winter, because there is no way to get them out. That is not the fault of the Rent Commission. I do not doubt that the members of the Rent Commission are honest. I do not doubt that at all. The chairman of the Rent Commission is a very estimable gentleman; he has been a life-long resident here. The lady on the Rent Commission is thoroughly competent. There is an attorney and another member, and I do not question their honesty or their integrity. They are not to blame; it is the law. The law is unfair. You can not get fair commissioners when you have an unfair law.

That is my complaint as to this law.

Mr. LEE LATIMER. I would like to be heard, Mr. Chairman, if a letter which I think Mr. Millspaugh will have can be found so I may refer to it. It is a letter addressed to Lee Latimer and signed by Mr. Perry.

Mr. ZIHLMAN. I understood that this afternoon was to be given over to witnesses who were in favor of the continuation of the law. Is that correct, Mr. Millspaugh?

Mr. MILLSPAUGH. We have not any of us finished, as I understand it. I do not think I have the letter, Mr. Latimer. I do not know what became of it.

Mr. LATIMER. I wanted to show the inequity of the law in keeping a bona fide owner out of a piece of property for 15 months. He was kept out of it by a tenant who resorted to the law's delay to do it.

Mr. MILLSPAUGH. I do not find that letter.

Mr. LATIMER. I should have liked to have read the letter from the owner of the property.

Mr. MILLSPAUGH. I will put it in the record.

Mr. HAMMER. I have a matter here which I requested to be sent up, but I do not know how much to ask to put into the record.

Mr. MILLSPAUGH. Let us give you the opportunity to put in what you think is best.

Mr. HAMMER. Here is a statement by a tenant, Ida M. Sechrist. The house in question is a studio at 1332 V Street northwest, in a colored community, and these people are white. I have a complete transcript of all the record. The only thing I think we especially might be interested in is the cost of the building and the expense.

Mr. MILLSPAUGH. Why not just put in the part of it that you think best?

Mr. HAMMER. This statement is not signed, but it is a copy of a statement which this lady has made. It is headed at the top "Statement of Ida F. Sechrist." I will insert this statement in the record.

(The statement referred to is as follows:)

STATEMENT OF TENANT IDA M. LE CHRIST.

In the spring of 1920 I saw an advertisement in the paper for a studio at 1332 V Street NW., which I answered, and in consequence rented the top floor at the rate of \$120 a month. When the owner returned from the South, I requested a three years lease. He consented with the following understanding: That I could have the entire premises for \$250 per month, but I must put in electricity, which he figured would be about \$300, thus making my first year rental about \$3,300. (I afterwards learned that the entire expense would amount to considerably more than that.)

It was first arranged that I should pay monthly. Then he decided that I must pay one year in advance each October, but while my agent was on his way up to sign the lease he again changed his mind and said that I must pay the three years in advance within one year, at intervals of six months, making \$9,000 rental for a property that was assessed for —, and almost paying its full valuation, if not altogether, for three years rental. This property rented for \$37.50 per month prior to his purchase, and \$75 per month furnished at the beginning of the war. The studio rented for \$25 per month several years ago, when the Drama League used the same. (See Mr. Lyons, of the Evening Star.)

Not being aware of the real estate value at the time, I signed the lease. I wanted the studio despite the fact that it was in a Negro neighborhood, with Negroes on all sides. I also signed a lease for a period of three months, from July to October, for \$291 a month, as my lease wasn't in effect until October 1, 1920. I was to be allowed 6 per cent interest on the cash payments.

During the month of July Mr. Bryant was on the premises and took the responsibility of having work and advertising done which I did not order, and which should have been done on his own responsibility before turning the place over to me, such as putting the garden in order, and having the house and furnishings clean. He presented me with a bill for \$110 for work he had ordered and which I certainly would not have incurred at that time personally. In order to avoid any dispute I paid him the amount only to find out later that he had charged me \$5 for a telephone bill which he had never paid and also with work for Andy which he had never paid. I called his attention to this and he never offered to refund the money he collected unjustly from me. I have since felt that the entire bill was unjust and unwarranted, and I was in no way responsible for it, even if it had not been as exorbitant as it was.

When Mrs. Hotchkiss came here to manage the place for Mr. Bryant, he promised her a bonus for all rentals exceeding a certain sum. This bonus amounted to \$100, which he refused to pay after she had fulfilled her agreement.

When I took possession of the premises, Mr. Bryant promised to supply me with knives and forks for the studio, to get me a bedspread, put a glass in the sleeping porch window, repair certain furniture, and put a window in the bathroom in small studio. He did not do any of these things and I was obliged to have the glass put in window at my own expense, also certain furniture repaired, and keep the gas burning in the bathroom when in use. The window shed over window in the large studio leaked, and when it rained the water would flood the studio floor, spoiling my papers on desk under the window, and making such extra work at a very inconvenient time. He finally had this repaired, but the floor was ruined and the wall unsightly. He promised to have this repaired but did not do so, and after waiting over a month I had the floor rewaxed and the wall rekalsomined. Mr. Bryant refused to pay Andy for waxing the floor and I paid him myself, as per receipted bills for these two items. The flush in the toilet leaked and it was over a month before Mr. Bryant had this fixed; in fact it was only after the water company had served two notices as to the water waste. Later the pipe in the wall of the house sprang a leak and the lower bathroom was flooded. I could not locate Mr. Bryant and called in a plumber. The plumber says that he refused to pay this bill. I had a table fixed which he promised to have repaired, as it could not be used in this condition, and he refused to pay this bill also.

Mr. Bryant had things stored which attracted the mice, such as cereal, and the house kitchen could not be kept clean on the shelves. Everything was in bad condition in the kitchen. The gas stove was dirty, the gas heater full of soot, the floor without any covering, the sink hard to keep clean, and the gas range kitchen dark. The kettles were old and rusty and not sufficient. Mr. Bryant during his visits to the house to take inventory had put away things supposed to be used. For instance,

he put away a waffle iron belonging to one of the girls, a silver platter, and one of my own books which I had hunted for everywhere. The things were found packed away in a drawer, supposed to contain Mr. Bryant's personal painting materials and tools, which I allowed him to store there.

Everything was in dirty condition in the studio building as landlord had the cubby-holes stored with dusty broken furniture, a trunk with greasy rugs, and cereals in paper boxes which attracted the mice and other bugs and vermin. It was impossible to keep things clean, as they would come out at night, get in the cupboard from which the glass had been removed or broken, chew paper on shelves, get into anything that could be eaten into, and make it necessary to clean the stove every day and wash the dishes before using. I had glasses put in the cupboard doors and Mr. Bryant refused to pay this bill, which I afterwards paid as per attached receipt. This, however, did not exterminate the mice. I decided that the cubby-holes must be cleared out. I stored the broken furniture in the house dining room and allowed no one to use it except the Fergusons, who were careful and did not use the broken pieces. There was no other place to put the furniture, and this I was handicapped in renting that room, had I so desired. The cereal had been spilled and eaten by the mice, so I threw what little remained away (there were no sound boxes) and had Andy take the leather trunk to a safe place in the house. I told Andy to take the other trunk to the house and asked him what was in it, as I wanted to be sure that it was taken care of. He said "Some old rag rugs which Mrs. Hotchkiss used in the house." I opened up the cover and found dirty greasy rugs and dusty curtains. The moths had gotten into this trunk and I took out the worst rugs and curtains and sent them to the laundry as per inclosed receipts. Andy did not have time to take this trunk to the house, and my maid had the man who came to fix the latrobe (it smoked so it could not be used, and I had to have it fixed, as per inclosed bill) help her stand it in the areaway of the house where it was protected. It contained some rugs not so soiled, and she did not have time to air the trunk, so it was placed in the areaway temporarily until it could be sunned and aired with its contents and the moths exterminated before putting inside the house. Mr. Bryant was over here a few days later and saw the trunk there. He accused me of breaking open the lock, taking out blankets, and not taking care of the trunk. The fact is that to my knowledge the trunk was never locked. In fact, I never knew there was a trunk like that in the cubby-hole until Ruby, the maid, cleaned out the closet. Prior to the cleaning out of this cubby-hole I had been cleaning the house to get it in condition for tenants. There had been bedbugs on the sleeping porches, and after considerable personal work and outside help, scrubbing and washing with gasoline, they were exterminated. I needed rugs for in front of the beds and asked Andy to get me some pieces of old carpets to put on the porches before the beds and in the bathroom and he said there were none. He said, however, that there were some rag rugs in the closet and Mrs. Hotchkiss had used these when she was managing the premises. I told him to get them for me and of course thought they were a part of the house furnishings. I had them cleaned and put where they were carefully used and I believe the use has been less harmful than being laid away dirty for the moths to eat. I did not know that Mr. Bryant objected to this as he seems to have done. He went to my maids and asked them to testify that I had told them to open the lock or break it. He said lately that I had broken the lock and had it put back on again. This is untrue. The trunk is in the same condition that it was when I first saw it. I do not think that it had been touched without my knowledge after I took possession here. Mrs. Hotchkiss was overseeing the premises while I was away in September, but I do not think she ever touched the trunk. She has since told me that she does not recall that the trunk was locked. I think that Mr. Bryant's memory is unreliable, as there were no blankets in the trunk and the lock was not off when he saw it.

Mr. B. would go to my maids and try to get them to say that I had opened the trunk by force. At one time he went to a new maid and told her that she would not get her money. She went away before her week was up and inconvenienced me greatly. He would go to my neighbors and try to get them to say derogatory things and they refused. See Ray Haas, 1710 H Street NW., rear studio.

The rugs were dusty and soiled in the house. I had these cleaned, the curtains and all hangings and the bed clothing. Some of this work was done in the studio so that I do not have the bills for same, but herewith attached are bills for work done, repairing, etc.

I had to scrub and wax some of the floors myself when I could get no one to do it, and was obliged to cut expenses. It was difficult to rent the house on account of the neighborhood and the place not being equipped with bed linen and other linen. There were not sufficient blankets or warm covers to rent the rooms singly and I could

not go to the expense of doing it myself. There were not enough dishes to serve a dinner for four people as there was no variety and the patterns were different. When rooms were scarce in war times it was easy to rent the house, but after the congestion was relieved people were more particular in choosing residences. I could not make expenses by charging what I considered a fair price for the rooms. One of the rooms in the house had no heat and the light came through the sleeping porch so that gas is required when a strong light is needed.

It took six months before the property was in any way livable as I had to do the cleaning at spare times, put furniture in the proper places and hang curtains. Several maids left because there was too much work so the greater part was done by myself or under my supervision. I spent considerable time and money on the place as the inclosed bills will show and these are not all the items.

In September, while I was away, Mr. Bryant got access into the house and took out pictures on the wall, a leather trunk and dishes.

The question may arise as to why the matter was not put in the hands of the Rent Commission. Because of my sentimental attachment for the studio I consented to pay what I considered an exorbitant rental and would have continued so in order to avoid litigation, but Mr. Bryant was most unjust and unmerciful.

My mother died suddenly in September which necessitated my changing my original plan and work on account of going over home at the time. It was impossible for me to get the \$6,000 due less 6 per cent interest. I begged him to let me pay \$250 per month until January 1 thus giving me more time to get the cash due. At this time it seemed very difficult for everyone to raise money on account of post-war conditions. He refused, took action and got judgment against me and the next morning before 10 o'clock was at the studio with the marshal, proceeding to execute the judgment. I beseeched him to give me only 24 hours in order that I might pack my things in order, assuring him that I would that day pay him every bit of rent to date per month, but he refused and continued to pack away my things until he was stopped by order of the judge.

When he thought the application for writ of error had been denied he refused again to come to any adjustment of the payments of rent and again took steps to execute the judgment without notice to me or any delay.

The application for adjustment of rent was made to the Rent Commission when I saw that his attitude was unmerciful and what I considered unjust and an attempt to profiteer and violate the Ball Rent Act. The petitioner prays that the facts may be considered and a just rental fixed.

#### A FEW FACTS CONCERNING THE PROPERTY.

The house and studio rented for \$37.50 per month at the time of present landlord's purchase.

Studio rented for \$25 per month to Drama League in the spring of 1917.

Property rented for \$75 furnished a few years ago (monthly).

Property assessed for two lots, at \$1,256.....	\$2, 512
Furniture assessed for improvements.....	3, 000

Total.....	5, 512
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Garden, yard and flower garden having poor soil unable to keep in good condition.

Negro neighborhood, moving picture in rear, with noisy and jazz music, garages in alley disturbing all night with cars parking. Trolley cars on U Street running late into the night; chickens, dogs and cats.

Kitchens not heated and needing gas lights; several rooms unheated, latrobe necessary for heating dining room and small studio. Bathrooms having no heat; hot-air furnace only heating one side of studio.

Furniture needing repair; not sufficient kitchen utensils and dishes; no covering on floor in kitchen; not sufficient bedding, and walk sunken in, no cellar in studio, and no garage.

See record of deed recorded November 14, 1921, conveying lot 802 and 21, square 236, Geiger & Graham, trustees to John B. Anderson, for \$5,000.

Furnace, gas stoves, and gas heater needing overhauling.

Walk broken down and making puddles when it rains.

No cellar in studio; damp.

Studio heated by hot-air furnace and the pipes heating study and boudoir. Latrobe heating dining room and small studio. Bathrooms downstairs have no heat.

Bedroom upstairs having no light or window.

## 268 FOOD CONTROL AND DISTRICT OF COLUMBIA RENTS ACT.

Study needing gas light during day; no heat in kitchen.  
 Not sufficient kitchen utensils and variety of dishes.  
 Not sufficient bedding. No towels or table linen.  
 Carpets sold and bought at auction.  
 Modern furniture bought at auction and not in perfect condition.  
 Antique furniture not complete and needing repair.  
 No floor covering in kitchen.  
 Tenant furnished studio with linoleum.  
 Landlord refused to make necessary repairs and refused to pay bills when tenant had them made after he promised to do the same.  
 Landlord gained access to the building and removed pictures and dishes.  
 Landlord causing inconvenience and disturbance among the neighbors.  
 Landlord refused \$250 per month in advance until January 1, when tenant could have paid balance due on rent, and proceeded to execute judgment without notice.

*Rentals of 1332 V Street NW., both front house and studio in rear, prior to occupancy by Miss Ida M. Sechrist.*

### FRONT HOUSE.

First floor front room with private bath, the latter located in the basement, occupied by 2 persons. Rental paid per month.....	\$40
First floor, large south room with glassed in sleeping porch, usually occupied by 3 girls who paid \$20 each, or when occupied by 2 girls the rental was \$25 each per month; total.....	60
Second floor front room, occupied by two persons at \$20 each per month, total..	40
Second floor large room with sleeping porch, occupied by 2 girls at \$20 each per month; total.....	40
Second floor small south room with sleeping porch, occupied by 1 girl, per month.....	25

### STUDIO BUILDING.

First floor north living room and bath, occupied by housekeeper.	
Balance of first floor consisting of apartment of living room, bed room, bath and kitchen, together with separate entrance hall, occupied by an Army officer and wife, and later by two girls, rented at some times for \$65 and \$75 but never less than \$50 per month.....	50
Second floor large studio with private bath and private stairs running from entrance hall on first floor to the same. Rental per month.....	75
Second floor small studio with private bath on north end of building, 5 leaded pane glass windows over window seat. Rented for \$50 but never less than \$45 per month.....	45
Total minimum rental per month.....	375

*Expenses in connection with maintaining front house and studio building in rear at 1332 V Street, NW., prior to occupancy by Miss Ida M. Sechrist.*

Annual gas bill for front house.....	\$150. 00
Annual gas bill for studio building.....	120. 00
Janitor who looks after fire, ashes and garbage, \$15 per month for six months and \$7 per month for remaining six months.....	132. 00
Coal for both buildings, 18 tons.....	270. 00
Care by housekeeper was in lieu of rent and therefore no deduction here as no rent listed on income sheet.	
Miscellaneous cleaning approximately \$10 per month.....	120. 00
Total annual expenses.....	782. 00
Making total monthly expenses.....	66. 93

DATA AND HISTORY OF THE PROPERTY AT 1332 V STREET NW. AS IT AFFECTS THE CASE  
IN RE SECHRIST V. BRYANT.

House rented for \$28.50 per month in 1916-17.	
Studio rented for \$25 per month in 1916-17.	
Agent Charles W. Morris, Evans Building.	
Property sold to Wallace Bryant (a little over) <sup>1</sup> .....	\$5,000
Improvements assessed for \$3,000—full value.....	4,500
Value of property.....	9,500
Valuation put on furniture.....	2,500
Value of property and furnishings.....	12,000
Year's rental, 10 per cent profit on property.....	1,200
Month's rental.....	100
Three years' rental, at \$1,200.....	3,600
Less 6 per cent.....	720
Total.....	2,880
Tenant has already paid.....	2,820
Rent due on three-year lease to Oct. 1, 1923.....	60
Tenant should be exonerated from installing electricity.	

Mr. MILLSAUGH. What about the Merchants and Manufacturers Association representatives?

Mr. HAMMER. Mr. Andrews was to come up here this afternoon, and also Mr. Columbus. He promised me he would be here in about half an hour. Of course, if he does not come, we can not wait for him.

Permit me to give you a summary, briefly, in reference to this house, 1332 V Street. The house rented in 1916 and 1917 for \$28.50 per month. The studio rented for \$25 per month in 1916 and 1917. The agent was Charles W. Morris, in the Evans Building. The property was sold to Wallace Bryant for a little over \$5,000. Improvements were assessed for \$3,000, the full value being \$4,500, making a total of \$9,500. The value put on the furniture was \$2,500, and the value of the property and furniture was put at \$12,000. Ten per cent on the profit in a year's rental was \$1,200, or a month's rental of \$100. Three years' rental at \$1,200 would amount to \$3,600, less 6 per cent, or \$720, which would make \$2,880. The tenant has already paid \$2,820, so that the rent due to October 1 on a three years' lease is \$60.

That is the case that was referred to this morning where practically the value of the property was paid for in one year. That went to the Rent Commission and the commission reduced it one-half; \$250 was the amount which had been paid on a part of this building and that was cut to \$125. If the Rent Commission had not been in existence and this contract in writing had been entered into and no fraud alleged they could have gone into the Municipal Court and had been actually ejected upon the street, and had not there been a Rent Commission the probability is that she would have been denied the privileges that she would eventually obtain in court.

Mr. MILLSAUGH. I wish to put this in the record from the Housekeepers' Alliance. They just want this little squib in the record. It says: "The Housekeepers' Alliance, of which I am president, sees in maintaining this law a menace to the home and the disregard of the valuation of home property." It is signed by Mrs. Frederick L. Ransom.

Mr. ZIHLMAN. If there are no further witnesses a motion to adjourn will be in order.

Mr. HAMMER. Here are two witnesses over here.

**STATEMENT OF MR. MAURICE BASKIN, 215 MCGILL BUILDING,  
WASHINGTON, D. C.**

(The witness was sworn by Mr. Zihlman.)

Mr. ZIHLMAN. Whom do you represent, Mr. Baskin?

Mr. BASKIN. I represent myself, as a property owner in the District. I wish to say this, that we came to Washington in 1914, and I was appointed to the Patent Office as

<sup>1</sup> There are some odd figures here which I do not have. They can be obtained from the Rent Commission.



an examiner. We had some money for investment purposes and were advised to invest it in some houses, and later we bought an apartment. The real estate agent at that time advised us that it was better to keep away from the buildings that you own, because the tenants, if they know who the owner is, as a rule make as much trouble for them as possible. It seemed to me that this was rather far-fetched, and I thought at any rate I would try and see how the thing was—how it worked out in practice. Since then we just moved into the apartment we bought and managed it ourselves, and later we disposed of our small properties, dwelling houses, and bought another apartment. Since then we make it a rule to always reside in the largest house we own and be in personal touch with as many of the tenants as possible.

Now, I found from personal experience that under normal circumstances—or rather, in abnormal circumstances, without undue interference of what I would call, I think, legislation or perhaps attorneys, and so on—that landlords and tenants would probably get along pretty well in Washington, possibly better than in many other cities.

I am acquainted to a considerable extent with conditions of rental property in Boston and I know that they do not differ very materially from conditions in Washington and never did.

I am opposed to this extension of the rent law—I could not tell exactly as to what were the merits of the law before—on account of the trouble and expense involved in operating rental property. It is bound to result in trouble and expense because it stirs up litigation and continuous struggle between the landlord and tenant, and of course all that trouble and litigation is expensive, it costs money and will have to be finally added to the rental costs, and although some tenants think that the more trouble they make for the owners the better off they will be, I have no doubt they are mistaken in the long run, for the tenant has to pay for all this extra overhead charges.

I am a mechanical engineer by trade, and I have been connected to such an extent with some of the people that were installing efficiency systems in various plants, and I found that this overhead charge for unproductive labor in industrial establishments is a very important item, and it is also very important in the operation of rental property, and all of these charges would naturally finally be borne by the consumer, who is the tenant.

Now, I want to say personally that I have no objection to the Rent Commission and I never have had since 1915, when I began to rent property, any complaint before the Rent Commission filed against us by those tenants that we rented to, and I believe that is almost a record.

I peruse, of course, to a certain extent the decisions and the hearings before the Rent Commission, and they appeared to be entirely fair as far as they could go with the present equipment. However, in appointing a commission which is in its scope like the Interstate Commerce Commission, which is all the agency that the Government has which is engaged in that line of work, it is obvious that this commission should be given, if it is to operate properly, to function properly, an equipment and facilities, which means funds which are far beyond anything that we can imagine or that will compare with its present outfit.

The problems that are involved in fixing the values of rentals—rates. I should say—for real property are far more complicated than the problems of fixing rates for railroads, where the equipment and everything can be standardized. You can not standardize rental property. The best the commission can do under the present circumstances is to make the nearest guess and let it go at that, and somebody is bound to get hurt.

Now the continuation of that act, of course, will result in simply the tenant paying. I assume the commission, whether the present one or the one that will be appointed, will be perfectly honest and will comply with the law which requires that the owner shall be allowed a reasonable or fair return on his investment. Now, if they do that, they will naturally have to take into consideration all the factors due to increase in value and all that.

In addition to that, however, with this law in existence, the tenants of course will finally have to pay all the overhead charges, which will be very heavy. From personal knowledge I found that in 1905, when we were considering buying apartment property, we had presented to us, perhaps 50 or 60 statements of apartments, and in analyzing the figures I found that the operating expense, including everything but depreciation, ranges all the way from 30 to 60 per cent, depending on the efficiency of management. In the case of industry that is regulated or controlled by a commission or committee without any definite powers or definite instructions as to how to control it, it is bound to be that the operating expenses will be the maximum rather than the minimum; that is, the efficiency of operation is bound to be, of course, lost, which is

evidenced by other regulated industries such as the railroads and so on. Now the result is that this operation will tend to add additional overhead charges, due to constant litigation and trouble making, and so on; and also the overhead charges, due to inefficient management and rents, instead of being decreased will naturally be increased by the commission itself.

Everybody has taken it for granted that if the life of the commission is extended they will reduce rents. Now they forget the possibility that they may have in a great many cases to increase the rent, simply taking cognizance of the interest costs and so on, and when all that is taken into consideration I believe within the next two years the total rentals paid by the tenants in Washington will no doubt be much greater with the Rent Commission than without it. In view of that fact I believe it will be but proper for the committee here to consider the abolition of the act.

I want to remark one thing, though. There is no doubt there would be great hardship on certain tenants who have gotten into a squabble some way or other with their landlords and who are afraid they may be evicted. That could probably be prevented by a simple resolution empowering the justice of the municipal court to grant a stay of execution for a certain number of months, and so on. I believe they should be protected. However, this condition of affairs will exist whenever the rent law is abolished, whether it is 2 years from now or 20 years from now.

About this hardship, I do not believe there will be any hardship arising, because the conditions do not seem, as far as I know, to be nearly as bad as they were two years ago, or even a year ago. And, moreover, those that engage largely in profiteering—whatever that may be—will find many ways to avoid the law anyway, and they are usually people that do not own property, but use somebody else's property and, as a rule, very commonly apply to the Rent Commission for the reduction of rent, and so on. So that this law will not reduce profiteering in any way so that you can notice it, and at the same time it will pile up all the expense of keeping up commissions and committees and additional attorneys, and so on, on top of all the various items of operation which will be increased indefinitely and which the commission is entirely powerless to stop. And, of course, all these items in the long run will have to be paid by somebody, and, naturally, they will be paid by those that occupy property. At the same time, of course, it is clearly proved that the operation of the law stops construction, and thereby will delay rather than in any way hasten a return to normal conditions.

I believe that upon proper consideration anybody that analyzes the conditions as they are will find that the abnormal state of affairs that exists in Washington—if any such does exist—can be remedied much easier in another way.

There is only one other point that I want to remark. I have heard several people here say that property in Washington was so much higher than it was anywhere else. I do not know of many places for comparison, except, as I say, I am comparatively well acquainted with conditions existing in Boston. I have been over to Boston about the 15th of last month. I was there for over a week and inspected a good many pieces of property, because it was proposed that I should sell our property here and invest in Boston property. Now, I found that, taking into consideration the fact that there are so many more restrictions and regulations in the city of Washington with regard to building, and buildings are constructed so much better and on so much higher plane here than they are in Boston, values even in the new buildings are a good deal lower here than they are in Boston. There is no type of property, dwelling house, around New England compared with the type of dwelling houses they are building here—well, business property or apartment property—but what values here are way below the values in Boston, and to some extent probably lower than those in New York, about which I made some inquiries, though I am not so well acquainted with them. And when given a chance, with the volume of building that is going on now, I believe, I haven't got the slightest doubt that the tenants within a very short time will benefit greatly by the return to normal conditions, where contracts can be made on a proper basis between property owners and tenants.

Mr. ZIHLMAN. Does anyone want to ask the witness any questions?

Mr. HAMMER. I want to ask one question. I do not know who it was told me—was it you, Mrs. Erwin—what kind of servants, janitors, do they have at the apartment house you live in, the Monmouth; are they colored or white?

Mrs. ERWIN. They are colored janitors.

Mr. HAMMER. Do you know what they pay them?

Mrs. ERWIN. No; I do not know, but I have been told indirectly that their salaries were not sufficient for them to support themselves, and that they did work in different department stores at night in order to make sufficient salary to meet their needs.

Mr. ZIHLMAN. Are there any others here to be heard?

Mr. HAMMER. Mrs. Taylor, member of the Rent Commission, Mrs. Clara Sears Taylor.

Mr. ZIHLMAN. Very well, Mrs. Taylor.

**STATEMENT OF MRS. CLARA SEARS TAYLOR, MEMBER OF THE RENT COMMISSION, DISTRICT OF COLUMBIA.**

Mr. HAMMER. I think you are the lady that told me the class of help they employed for janitor service.

Mrs. TAYLOR. Yes.

Mr. HAMMER. And what they paid them?

Mrs. TAYLOR. Yes. In answer to your statement, Mr. Sproul, I believe that out in Illinois—you come from Illinois?

Mr. SPROUL. Yes.

Mrs. TAYLOR. Janitors get enormous salaries out there.

Mr. SPROUL. They get so much a flat or so much an apartment.

Mrs. TAYLOR. And they get enormous salaries. Even the funny papers have exploited that idea. But here they are almost all colored, and I believe, if I am not mistaken, that the average salary for a janitor here is \$30. They get all the way from \$15 up to \$75.

Mr. SPROUL. Do they not get so much an apartment?

Mrs. TAYLOR. Oh, no.

Mr. SPROUL. Are you sure of that?

Mrs. TAYLOR. Yes; because when they come before us, every apartment house that is brought before us has that item in its expense, and they do not get so much an apartment.

Mr. SPROUL. Nearly all of our janitors in Chicago are colored men.

Mrs. TAYLOR. Are they? I thought they were white. They are white in New York and they get enormous salaries up there, but these janitors down here get very small salaries compared with other cities.

I would like to say, if I may, concerning the last statement that was made about the prices of property in Boston being greater than in Washington, I think that is a pretty good reason why some of our propaganda should have come down from Boston; they evidently are afraid of having restrictive legislation there, if they are still higher than Washington.

May I just say something about the blacklist? Of course we do not know whether a blacklist exists in each one of the offices of the real estate people here in Washington, but I do know this, that the F. H. Smith people in bringing down the little drawers with the index cards in them, they were placed on the table right before us, and we could see very distinctly from where we sat a little purple flag after the name of each person who had ever been before the Rent Commission. We called it red because it looked red to us from where we sat, but we discovered upon asking them about it that it was not red but purple. Why they put that royal insignia there I am sure I do not know.

Mr. SPROUL. Do you not know it is a fact that all real estate firms, men handling property for rent, keep a list of desirable and undesirable tenants; tenants that do not pay their rent; tenants that make lots of trouble? That has been so for years.

Mrs. MILLSPAUGH. And stores the same way.

Mr. SPROUL. Yes, they do it every place.

Mrs. TAYLOR. Certainly, but the reason they have that little flag after those names is because they consider them undesirable because they have taken advantage of the law that you people made.

Mr. SPROUL. That is a different proposition.

Mrs. TAYLOR. Well, that is what they have done, and it has been brought out in the hearings, and if you will read them you will find it.

Mr. MILLSPAUGH. They denied it under oath.

Mrs. TAYLOR. If you will read the hearings before the Senate committee you will find Mr. Linkins admitted it. He said he did have a list, and when they asked him about that list he said: "Of course we are not particularly friendly to those people."

Mr. MILLSPAUGH. You would not think they would be, would you?

Mrs. TAYLOR. No; I am not asking that they would be, but it shows that there is such a list.

Mr. MILLSPAUGH. I would like to ask you a question, but I am just a little bit afraid of being charged with being unfair, and I do not want to do that.

Mr. HAMMER. Not if it is not unfair you will not be.

Mrs. TAYLOR. I have not charged you with that.

Mr. MILLSPAUGH. You stated that your idea of the Rent Commission was that it was in the interest of the landlord as much as of the tenant. I believe you stated that.

Mrs. TAYLOR. Well, I do not know whether I did, but I mean it.

Mr. MILLSPAUGH. You mean it anyhow?

Mrs. TAYLOR. Yes.

Mr. MILLSPAUGH. Do you not think you are coming to the bat, to use a slang expression, every time the tenants are mentioned in this hearing, and never have yet come to the bat for a landlord in the slightest degree, tending to create the impression that you were possibly prejudiced a little bit in favor of the tenant, or do you?

Mrs. TAYLOR. It might create that impression. The landlords do not need my assistance. They have the very best legal talent that could be obtained, and they have all the best propaganda that can be brought. They do not need me.

Mr. MILLSPAUGH. What do you mean by "propaganda?"

Mrs. TAYLOR. I said what I meant by propaganda. I believe there is a campaign on in the city of Washington, partly directed from Boston, to put the Rent Commission out of existence.

Mr. MILLSPAUGH. Mrs. Taylor, I think you are unfair, because the real estate men, every one of them we have had on the stand, has absolutely stated under oath that there is nothing of the kind, and yet you come in here again and charge them with it, and then you come and say the landlords are represented by their attorneys, that they are able to take care of themselves, and in the breath just before that you tell me that your court is supposed to represent them the same as it is the tenants.

Mrs. TAYLOR. Certainly it does.

Mr. SPROUL. Mr. Millspaugh, will you yield?

Mr. MILLSPAUGH. Yes.

Mr. SPROUL. This commission was not created to take care of the landlords and millionaires; it was created to take care of the tenants, was it not? The millionaire and the big landowner does not need anybody to take care of him. I do not say that because I am in favor of one or the other, but I want to know if that is not your opinion, that it was created simply to take care of the tenants?

Mr. MILLSPAUGH. I would be afraid to tell you what my opinion is as to why it was created.

Mrs. FRANCES LOBIANCO. I could have something to say about the F. H. Smith Co., if I may be allowed.

Mr. SPROUL. I would like to have Mr. Millspaugh answer my question.

Mr. MILLSPAUGH. What was the question?

Mr. SPROUL. If you do not believe the Rent Commission was created—the law creating the Rent Commission rather—intended to take care of the tenant and not to take care of the millionaire landowner or the apartment-house owner?

Mr. MILLSPAUGH. Yes; I think so.

Mr. ZIHLMAN. I think there is no question about that. The preamble of the law stated its purpose.

Mr. SPROUL. Then Mrs. Taylor is right in her contention, is she not?

Mr. MILLSPAUGH. I would think so.

#### STATEMENT OF MRS. FRANCES LOBIANCO.

Mrs. LOBIANCO. I have an apartment listed with the F. H. Smith Co. for rent now. It has been for rent for some time, and I asked them their ideas of a tenant, and they have never given me any impression of having a blacklist of anyone and putting that as a basis for not renting my apartment to those parties who have gone to the Rent Commission. It had no bearing whatever. Their idea of a desirable tenant is one that—Mr. Perraud told me this and I wish he would have the opportunity of coming up and answering your charge himself.

Mrs. TAYLOR. I wish he had too, because it was he who showed me the little flags.

Mrs. LOBIANCO. Well, he has my apartment in his hands at the present time, a furnished apartment, and he has said he only considers the morality of the tenant and the tenant's honesty. The tenant who occupied the house that I now have possession of owes me a month and a half rent and he says he will never pay it, because he has been to the Rent Commission and he says he will never pay me for the time he was waiting for his trial. The name is Isaac Imberg, and he has told me he will never pay me. My idea of a tenant's desirability is only honesty and morality. I have rented a number of apartments that I own myself, and I care not whether the tenant goes to the Rent Commission.

Mr. ZIHLMAN. Is there a committee here from the Merchants and Manufacturers' Association?

Mr. HAMMER. The only information I can get on that is that Mr. Andrews is on his way up here.

STATEMENT OF MR. E. E. BRITTEN.

MR. BRITTEN. You were speaking of the white help in apartment houses in Illinois and their pay.

MR. SPROUL. Nearly all of the janitors in Chicago are colored. Ninety per cent of them are colored.

MR. BRITTEN. I think a man here gets \$30 to \$35 a month; \$30 in the summer time and \$35 in the wintertime. We have no elevator or telephone service.

MR. SPROUL. That janitor that I am speaking of takes care of three or four buildings. He does not devote all of his time to one building; he takes care of three or four, and he is making \$100 a month.

MR. BRITTEN. Not the one in my building.

MR. SPROUL. He is not in one building; but that man takes care of three or four, if he is thrifty.

MR. BRITTEN. Not here.

MR. SPROUL. They do in Chicago.

MR. BRITTEN. He has one building here.

MR. MILLSAUGH. Mr. Chairman, as Mr. Andrews is not here, I move that we adjourn until Monday morning at 9.30, when the committee will meet, under a former agreement, in executive session, except as to the attorneys who were to be with us.

MR. HAMMER. Before doing that I desire to call the attention of these gentlemen, the attorneys for the landlords, who are present, to an amendment that is proposed to section 10, and I want to give them a copy of it:

"No dispute of any notice to quit made by a tenant before the commission under this section shall be held to suspend or postpone the payment of rent for the premises occupied by the tenant pending the final determination of the dispute, and the acceptance of rent for said premises by the landlord after the notice in dispute has expired shall not be held to operate as a waiver of said notice."

I hope that will meet the objections of the landlords.

MR. ZUHLMAN. The committee will stand adjourned until 9.30 Monday morning.

(Whereupon, at 4 o'clock p. m., the committee adjourned until 9.30 o'clock a. m., Monday, May 8, 1922.)

X













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